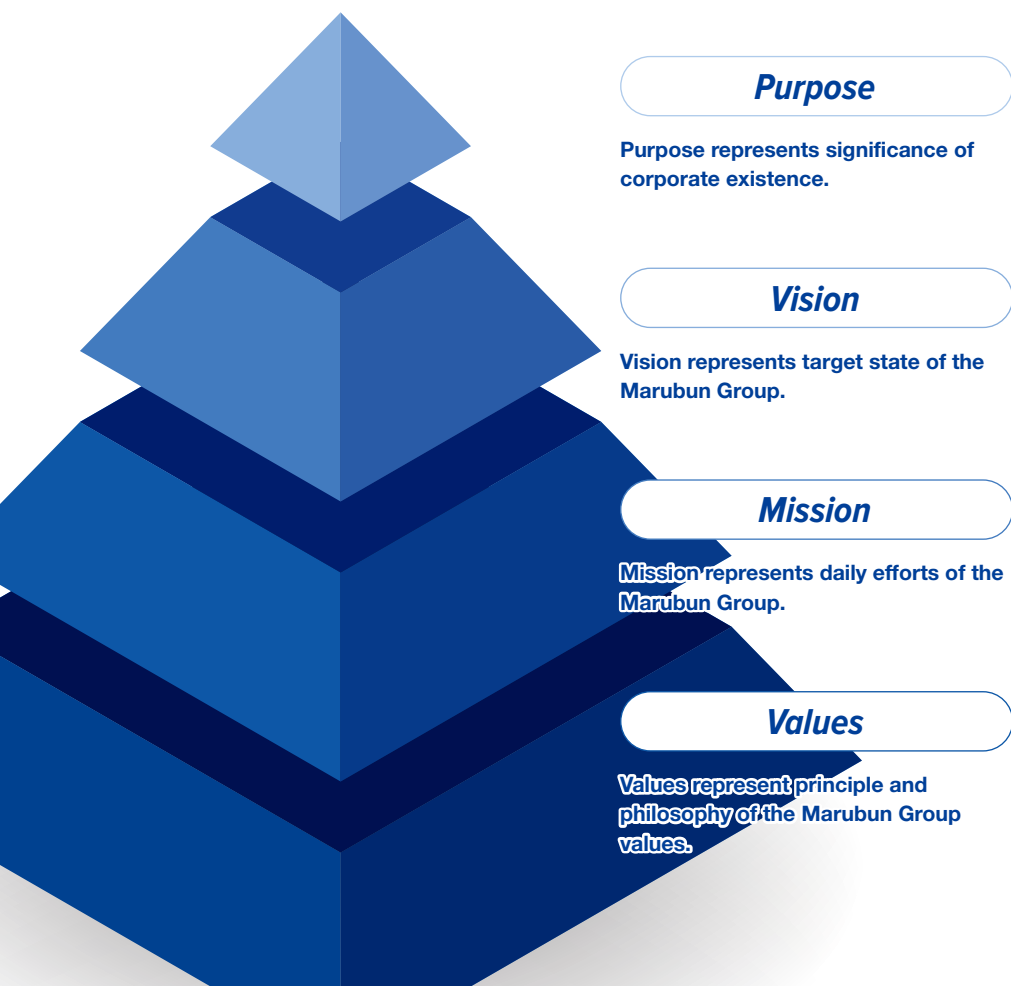


MARUBUN REPORT 2025

MARUBUN CORPORATION Integrated Report 2025

Corporate Philosophy

The Marubun Group aims to become the unrivaled and most trusted electronics trading company that offers unique value, based on the pursuit of “Contribute to a brighter future through technologies.”



Contribute to a brighter future through technologies

We image “a brighter future” as one that is both materially and spiritually rich and full of hope, where people can live in a healthier, safer, more secure, more comfortable and more convenient way, and enjoy their lives.

Be the unrivaled and most trusted electronics trading company with unique and original values

For us, being the “most trusted” means being a business partner indeed that customers in need would give first calls for consultation.

Looking forward and staying ahead, address societal themes and solve customers’ issues by leveraging the Group’s human capital, technological strengths and service qualities

For more information about our Values, see [“Charter of Corporate Conduct”](#).

Based on our Charter of Corporate Conduct, our Group has also established [“Action Principles”](#) as standards of conduct for our officers and employees.

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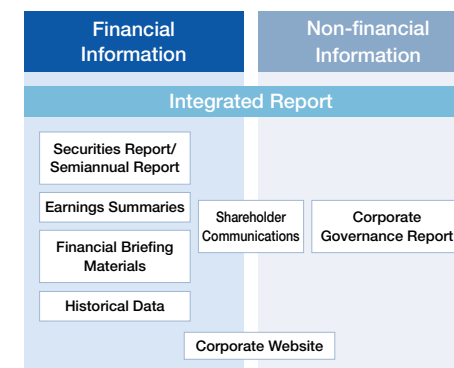
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Information Disclosure Structure



Editorial Policy

This report is published in the form of an Integrated Report covering the business, performance, and sustainability initiatives of the Marubun Group to convey to shareholders, investors, and other stakeholders our reason for being: "Contribute to a brighter future through technologies." Detailed information concerning finances and sustainability not covered by this report is available on our website.

Period Covered by This Report

This report covers the period of FY2024 (April 2024 to March 2025) and other periods as specified in the text.

Cautionary Statement

Statements concerning performance forecasts, etc. in this report are based on information currently available to the Company and on certain premises deemed reasonable. Actual performance, etc. may vary, depending on key factors.



This cover features the slogan of the new Medium-Term Business Plan, "Innovating Together." The deep blue of the background represents the broad world in which we operate globally, and the trust we have built with our stakeholders since our founding in 1844. Additionally, the two circles themselves represent our very role of connecting cutting-edge technologies worldwide with Japan's superior manufacturing. By creating new value through these connections, we contribute to solving customer challenges and realizing an abundant society. This reflects our determination and commitment.

History

The history of the Marubun Group dates back to 1844. We have continued to change and grow ever since, adapting our product offerings and business model in line with the times while always embracing new elements.

■ Net sales

1947 1950 1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010 2015 2020 2024

* Applied Accounting Standard for Revenue Recognition p. 67

1844 The “looking forward” mindset of founder Kakujiro Horikoshi

Founded the textile wholesaler “Horikoshi” (trademark “MARUBUN”)



Photo courtesy of Fukuzawa Memorial Center

The origin of Marubun lies in the “looking forward” spirit of its founder, the first Kakujiro Horikoshi. After founding a textile wholesaler in Nihonbashi in 1844, he quickly established a branch at the time of Yokohama’s port opening at the end of the Edo period, beginning the import of foreign textiles and export of raw silk. While growing his business as a trading merchant, he also made significant contributions to the development of society, such as cooperating in the establishment of Keio University with the support of his friendship with Yukichi Fukuzawa. The spirits of “looking forward” and “staying ahead,” along with a sense of sustainability, have been inherited as part of our company’s DNA to this day.

1952 Transformation into an Electronics Trading Company

Concluded a general agent agreement with Rocke International, Inc. and began the import and sales of U.S.-made equipment in Japan.



After World War II, Marubun reached a major turning point. In 1947, the fifth-generation Yoshio Horikoshi entered the electronics field with a strong sense of mission to “contribute to Japan’s economic recovery.” Starting with a general agent agreement with Rocke International, Inc. in the United States, we began importing measuring equipment, Space and Defence Equipment, and other cutting-edge technologies. In 1958, we established a rare technical division for a trading company. By offering added value through technical support, we established our position as an electronics trading company.

1998 To the World Together with Our Customers

Established Marubun/Arrow Asia, Ltd. as a 50-50 joint venture with Arrow Electronics, Inc. in the United States



Marubun accelerated its international expansion. In the late 1980s, responding to customers’ overseas expansion, we entered various parts of Asia, starting with Singapore. The turning point came in 1998, with a joint venture with Arrow Electronics, Inc. of the United States the world’s largest semiconductor distributor. This partnership established a global rapid materials procurement network and a high-quality support system, laying the foundation for today’s robust business base supporting our customers’ supply chains.

1844

Founded

1940-

First steps as an electronics trading company

1960-

Contribution to the advancement of science and technology in Japan

1980-

Global expansion

2000-

Toward further growth

1947

Established MARUBUN CORPORATION

1949

Began sales of Japan’s first domestically produced tape recorder

1958

Began technical service work for imported equipment

1961

Established Marubun Kanazawa Co., Ltd. (currently MARUBUN TSUSHO CO., LTD.)

1965

Became the first company in Japan to import and sell integrated circuits

1968

Established a representative office in the United States

1970

Held the Marubun Electronics Show to commemorate the 125th anniversary of the Company’s founding

1975

Became the only trading company to participate in the launch project of the N-I Rocket Project of the National Space Development Agency of Japan (currently JAXA)

1983

Established Marubun USA Corporation

1985

Established logistics center

1988

Began expansion into Asia

1989

Established Marubun Taiwan, Inc.

1997

Listed on the 2nd Section of the Tokyo Stock Exchange

1999

Established Marubun/Arrow USA, LLC and FORESIGHT TECHNO CO., LTD.

2001

Listed on the 1st Section of the Tokyo Stock Exchange

2005

Established MARUBUN WEST CORPORATION.

2008

Became the first electronics trading company to be approved as a specific exporter

2022

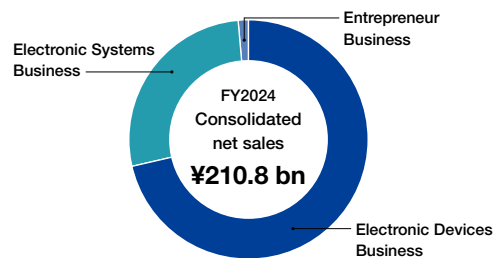
Transitioned from the 1st Section of the Tokyo Stock Exchange to the Prime Market
Started operations under a three-business-segment structure

Overview of Marubun

Business Overview

Marubun is an electronics trading company dealing in state-of-the-art semiconductors, electronic components, and electronic equipment. We operate at more than 50 locations around the world, providing products and services from over 800 suppliers to over 3,000 customers.

► Sales Composition Ratio by Business



■ Electronic Devices Business	¥151 bn	71.6%
■ Electronic Systems Business	¥57.3 bn	27.2%
■ Entrepreneur Business	¥2.4 bn	1.2%

► Sales Composition Ratio by Region*



■ Japan	68.0%
■ Asia	24.4%
■ North America	7.6%

* Sales composition ratio by regions is calculated by adding all of the net sales of equity method affiliates to consolidated net sales

Electronic Devices Business

📖 p. 30

We sell components and materials purchased from leading Japanese and overseas semiconductor and electronic component manufacturers to customers, primarily major electric equipment manufacturers. With a wide-ranging product lineup, technical support, and global sales network as our strengths, we meet diverse needs.

Products Handled: Semiconductors, electronic components (crystal oscillators, connectors, passive components, etc.)

Main Sales Partners: Consumer equipment-, industrial equipment-, communication equipment-, and automotive-related manufacturers

Consolidated Subsidiaries

- Marubun USA Corporation
- Marubun Taiwan, Inc.
- Marubun/Arrow Asia, Ltd.

Electronic Systems Business

📖 p. 34

We engage in sales and maintenance services for cutting-edge electronic equipment, systems, and components. We support customers' manufacturing through high-level expertise built up over many years and through end-to-end engineering support that spans equipment introduction to maintenance.

Products Handled: Space and defence equipment, manufacturing and inspection equipment, laser equipment, medical equipment

Main Sales Partners: Industrial equipment-, automotive-, and aerospace-related manufacturers; medical facilities

Consolidated Subsidiaries

- MARUBUN TSUSYO CO., LTD.
- MARUBUN WEST CORPORATION
- FORESIGHT TECHNO CO., LTD.

Entrepreneur Business

📖 p. 37

We develop and sell advanced solutions centered on communications, AI, and robotics, and provide maintenance services. We are creating new services aimed at solving social issues by integrating our extensive product offerings with DX, IoT, and network technologies.

Products Handled: ICT solutions, AI robots, millimeter wave radar modules

Main Sales Partners: Communication equipment and industrial equipment manufacturers; medical and nursing care facilities

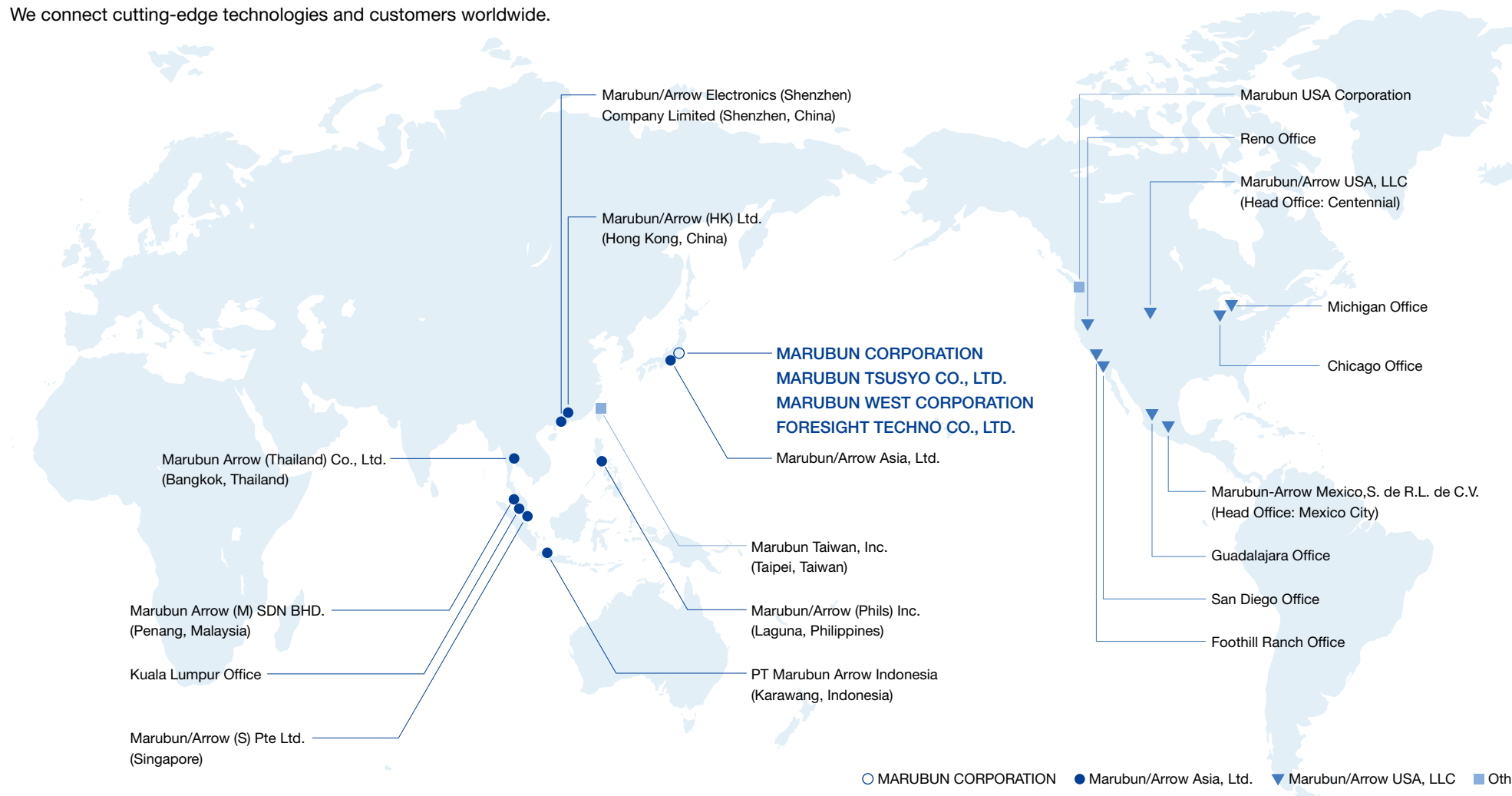
Consolidated Subsidiaries

- FORESIGHT TECHNO CO., LTD.

Global Network

Bringing the World's Cutting-Edge Technologies Quickly to Our Customers

Through overseas bases mainly in Asia and North America, we realize quick procurement of materials and support for overseas transfers. We connect cutting-edge technologies and customers worldwide.



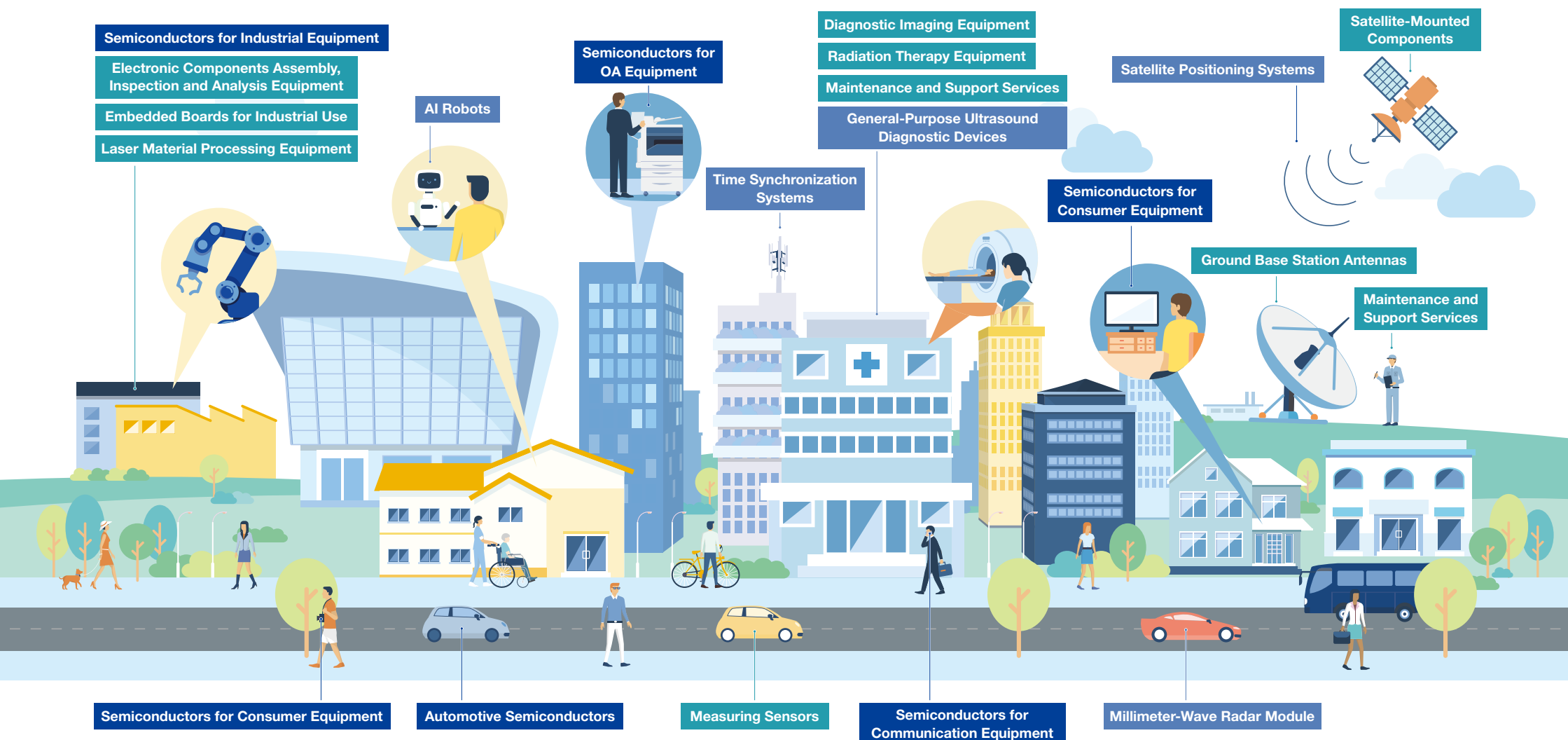
Technologies Delivered by Marubun

From your home, to offices and commercial facilities, manufacturing sites such as factories, hospitals and nursing homes, even to mobility and space.

The technologies Marubun delivers are helping in every aspect of society.

To ensure that excellent technologies from around the world are reliably connected to the places where they are needed. That is our role as an electronics trading company.

■ Electronic Devices Business ■ Electronic Systems Business ■ Entrepreneur Business



The Marubun Group's Value Creation Story

CEO Message



“We will carry the spirit of “looking forward” and “staying ahead” forward into the future as we strive to realize sustainable growth and enhancement of our corporate value.”

Hiroshi Horikoshi

President and Representative Director, Chief Executive Officer (CEO)
Chief Operating Officer (COO)

Taking up the baton passed down to me, I will make it a driving force toward a new era as we tackle bold challenges without fear of change and carve out a new chapter for the Marubun Group.

To all of our shareholders, investors, and other stakeholders, I would like to express my heartfelt gratitude for the extraordinary support and favor you have demonstrated toward the Marubun Group. My name is Hiroshi Horikoshi. I assumed the role of President and Representative Director, Chief Executive Officer (CEO), Chief Operating Officer (COO) on April 1, 2025. I have been handed the management baton from former President Iino. With this, I will fulfill the heavy responsibility of carrying into the future the history and trust built up over nearly 180 years since our founding in 1847, as well as the spirit of “looking forward” and “staying ahead” that forms the DNA of the Company. I feel the strong weight of responsibility to realize sustainable growth for

CEO Message

the Marubun Group and enhance its corporate value. At the same time, in this era of rapid change, I feel strongly motivated to make the most of our potential in pioneering a new future. Having assumed the office as president, I would like to present my background, my thoughts on management, the vision the Marubun Group is aiming for, and the path toward realizing it.

Drawing on the expertise and values cultivated in overcoming challenges to contribute to the continued development of the Marubun Group

I studied financial engineering at university and joined a securities company in 2002. There I started working in retail asset management and later engaged in recruitment and HR, along with wide-ranging activities including corporate finance and M&A advisory for client companies. This period helped me develop the ability to view issues from multiple angles, which I consider an important asset in my career.

In 2009, I joined Marubun in search of a new challenge. Japan is a technology-driven nation, and Marubun is an electronics trading company that shapes Japan's future by proposing advanced technologies to customers. I aspired to join the Company out of a wish to experience this firsthand.

My first role here was as Director of the Audit Office, where I was responsible for objectively assessing the Group's overall management situation and governance system from an auditing perspective. This experience was valuable in helping me understand the importance of transparency and discipline in corporate management. I subsequently transferred to the Company's core Electronic Devices Business, where I gained insight into business profitability and key management figures through managerial accounting. I was also involved in advancing the digital transformation (DX) essential for operational efficiency and advancement, including the design and implementation of new

core systems. Through these experiences, I developed the ability to understand corporate activities both from the ground level and from a management control perspective.

A major turning point in my career was my assignment to serve as CEO of Marubun Arrow Asia (Hong Kong), a joint venture with major U.S.-based semiconductor and electronic component distributor Arrow Electronics. My mission was to oversee business spanning six Asian countries, centered on Hong Kong. Each country and region had its own legal systems, business practices, cultures, religions, and employment environments, requiring finely tuned strategies and management adapted to the characteristics of each market. By visiting the front lines and engaging directly with employees to deeply understand their values and ways of thinking, I learned the essence of global business.

During my time stationed in Hong Kong, I also faced a series of events that truly tested my capabilities as a manager. I encountered major challenges such as typhoons, large-scale protests in Hong Kong, and the outbreak of the COVID-19 pandemic, an unprecedented crisis across the globe. These were external factors beyond our control as a company. Day by day we had to face daunting issues including how to protect the safety of our employees, fulfill our supply responsibilities to customers, and continue and grow our business under the circumstances. Through these experiences, I was once again reminded of the importance of quick and accurate initial response in times of crisis; thorough, transparent, and sincere communication both inside and outside the company; and, above all, management that truly values people. It is vital to constantly collect and analyze up-to-date information from multiple angles, quickly detect signs of change, and make swift and accurate decisions. And no matter how difficult the circumstances, a company must always prioritize the physical and mental health and safety of our employees and safeguard environments in which they can demonstrate their abilities free of worry. These have become the fundamental principles of my current management approach. During my

CEO Message

time overseas, I also strongly realized the importance of maintaining a global perspective—not only viewing things from within Japan, but also looking at Japan from abroad and taking a broader, more global outlook on matters. Amid global trends including the rise of geopolitical risks and the restructuring of global supply chains, I believe that maintaining this global perspective and understanding diverse values are essential elements in driving our Company's sustainable growth strategy.

I eventually returned to Japan, where from 2022 I served as the General Manager of the Electronic Devices Business and oversaw the formulation and execution of business strategies. I have now been appointed Representative Director and President. Leveraging my diverse experiences and the knowledge and values I developed through overcoming difficulties, I am committed to contributing to the further development of the Marubun Group.

Remaining both a sustainability-focused company and an innovative company

The Marubun Group has set “Contribute to a brighter future through technologies” as its Purpose. To guide our efforts in realizing this Purpose, we established a Vision: “Be the unrivaled and most trusted electronics trading company with unique and original values.” Our Purpose and Vision serve as basic guidelines that indicate the values we act upon each day and the goals we pursue through our business activities.

Last year, the Company celebrated the major milestone of its 180th anniversary. Throughout that long history, we have striven to meet the changing needs of society, always providing leading-edge electronics technologies and products and building trust among our customers and society at large. Our deep expertise, extensive network, and, above all, the stakeholder trust nurtured over this history are irreplaceable assets that form the foundation of the Company as a sustainability-focused

enterprise. Preserving this tradition and trust, and reliably passing them on to the next generation, are among my most important responsibilities.

At the same time, however, we must not become satisfied with our current state. We must always look to the future and continue to challenge ourselves to create new value as an innovation-driven company. Advancements in electronics technology are accelerating daily, and customers' needs are becoming increasingly sophisticated and diverse. To continue contributing to society and achieve ongoing growth in such a rapidly changing era, we must constantly grasp the latest technological trends and leverage them in generating groundbreaking solutions and services.

The stability and trust of being a sustainability-focused company, and the challenge and transformation of being an innovation-driven company. I believe that the Marubun Group's ideal future lies in achieving these two attributes at a high level and moving forward with both as driving forces. While cherishing our history and traditions, we must always be willing to take on new challenges, never fearing the future. Putting this “ambidextrous management” into practice and vigorously leading the Marubun Group toward our 190th and 200th anniversaries is the great responsibility that has been placed upon me.

Fostering an open organizational culture in which all employees can maximize their potential

Companies with a long history can become tied to their past successes and established conventions, leading to slow adaptation to change. I recognize the necessity for transformation, and I see boldly tackling change as an essential requirement for the Marubun Group today. I have taken on the responsibilities of president at an age about 20 years younger than my predecessor, President Iino. I want to make good use of this position to serve as a driving force for embracing change and boldly taking on new challenges without fear. However, true

CEO Message

transformation cannot be achieved solely through top-down measures. I believe that the cues and the energy for transformation can be found in the voices of individual employee working day by day on the front lines of business. Taking on the role of president, I intend to first ask all employees what aspects of Marubun should change and how we ought to change. I will listen carefully to this feedback and reflect it in management decisions.

As a personal note, I prioritize a stance of always being humble, fair, and open to everything. It is essential that we build a psychologically safe workplace where all are free to express their opinions and engage in constructive discussion, regardless of position or seniority. As an example, ensuring that everyone uses the honorific “-san” in everyday email and meetings may seem trivial, but I believe that such actions, meticulously carried out one by one, foster a flat, transparent, and open corporate culture throughout the organization.

Why do I value this kind of corporate culture? It is because I believe in the potential of each and every employee. Creating an environment that fully draws out that potential and allows individual talents to be demonstrated to the fullest is one of my key responsibilities as a leader. To achieve that, it is essential that every employee have a sense of ownership, that is, a management perspective of “We are the ones who build this company.” That means viewing the Company’s performance and issues as personal matters, proactively thinking about how to design the Company’s future, and taking action. I want to nurture fertile ground for such people to grow.

Transforming risks into opportunities and achieving new value creation

The business environment surrounding the electronics sector has become increasingly complex and uncertain amid rising geopolitical tensions, more complicated supply chains, and the rapid rise of

technologies such as AI. Although robust demand growth is expected in the semiconductor market that is the main cornerstone of our business, the market is also characterized by susceptibility to supply and demand fluctuations in the medium to long term and to the impacts of technological innovation cycles in the short term. We must always maintain awareness of risks that include currency and interest rate fluctuations, changes in laws and regulations, difficulties securing human resources, and natural disasters.

However, I see these risks not merely as threats but also as sources of new business opportunities. As an example, trade friction and technological rivalry between the US and China are causing significant changes to our customers’ procurement strategies. For a specialized



CEO Message

trading company with a global network and a broad product lineup like Marubun, customers' needs to avoid the risk of dependency on specific regions and to diversify and strengthen their supply chains present new opportunities for offering added value. The same applies to fluctuations in semiconductor supply and demand. Even if short-term market adjustments occur, the volume of semiconductors used is predicted to increase because of the advance of DX and GX. It is vital that we capture this long-term trend and reinforce our allocation of resources to growth fields. Technological innovation, too, presents us with major opportunities. The evolution of AI is constantly generating new markets such as robotics and edge computing. By providing semiconductors and electronic components for these new technologies, together with solutions that utilize them, we can expand our possibilities for value creation.

Refining Marubun's unique strengths and aiming for our next stage through the Group's collective power

The competitive environment surrounding electronics trading companies is intense, making clear differentiation from competitors no easy

task. To remain the choice of customers as a true "one-of-a-kind" partner, we must further hone Marubun's unique strengths and leverage them to the fullest. Our greatest strengths lie in the relationships of trust we have built with over 3,000 customers for over 180 years since our founding, our extensive network of over 800 outstanding domestic and international suppliers, our global business structure spanning about 50 locations worldwide, and our workforce of approximately 1,200 people across the consolidated Group.

In the Marubun Nextage 2027 Medium-Term Business Plan formulated in May 2025, we set the maximum use of these human resources and the pursuit of synergies across the Group as key themes. Notably, the core of our strategic differentiation lies in a strong focus on two key fields: aerospace and defence and medical/healthcare. In the aerospace and defence field, we boast a track record of over 50 years of experience and have accumulated solid trust from our customers and unique know-how. In the medical/healthcare field, too, we will cultivate new growth drivers by effectively linking the technological seeds and the expert personnel distributed throughout our Group. To drive these Group synergies in concrete ways, we actively discuss new business opportunities that span business segments and group companies at monthly Marubun Collaboration Forum meetings, and are steadily executing concrete action plans. We are also advancing initiatives for providing higher value-added services through collaboration among domestic and overseas Group companies, as seen in the online maintenance services offered by IRIS Company in the Entrepreneur Business.

We also view talent development as one of our strengths. We place particular emphasis on recruiting new graduates, with about 30 talented young people joining our team every year. A growing turnover rate among young people has become an issue in Japan, but our Company maintains a low turnover rate and enjoys increasingly strong retention of younger employees. To rapidly strengthen the capabilities of these employees and nurture them as future leaders who will drive



CEO Message



the Marubun Group forward, we are making efforts to enhance our training and development programs. I particularly expect our younger employees to develop a management perspective. Through opportunities to tackle responsible work and diverse experiences, I want these employees to grow into individuals who can think, make decisions, and take action independently.

Practicing sustainability management with “Innovating Together” as our corporate slogan

In the Marubun Nextage 2027 Medium-Term Business Plan, we adopted the slogan “Innovating Together.” This slogan resonates deeply with our Purpose of “Contribute to a brighter future through technologies.” Since our founding, our mission has been to quickly discover cutting-edge technologies and products in the world, deliver these to customers, and work with customers to help solve their issues and make their dreams reality. Always returning to this origin and continuing our endeavors as an innovation-driven company is fundamental to our

approach to sustainability management.

We have positioned sustainability as one of our key management priorities and identified five material issues, actively addressing each of these through initiatives. Among these, I see “Increasing our corporate value through enhancement of human capital strategies” as particularly vital. For a trading company, people are the most vital management resource. Enhancing the expertise, creativity, and engagement of every employee leads directly to greater corporate value.

To concretely drive this human capital strategy, we established a Human Capital Committee that continuously monitors progress and implements improvements on key themes such as strengthening recruitment and development programs, raising engagement, and promoting diversity, equity & inclusion at the management level. We are especially committed to developing a personnel evaluation system in which people with a spirit of challenge are more fairly rewarded, using HR technology to help create a virtuous cycle by which every employee truly feels that effort pays off. By openly sharing the progress and results of these efforts with employees through town hall meetings and other forums, we are ensuring transparency and encouraging greater involvement in transformation.

We are also taking a step forward in shifting from work style reform to job satisfaction reform. We have introduced initiatives that include skill training for management and staff to enhance psychological safety, our in-house multiple Jobs Program to support diverse career formation for employees, and extended retirement age that allows experienced veteran employees to continue contributing. As one indicator for measuring the effectiveness of these initiatives, we regularly conduct Net Promoter Score (eNPS) surveys. We achieved a solid improvement of 9.3 points year on year in the latest survey and continue to improve steadily. To address labor shortages through means beyond strengthened recruitment, our Electronic Devices Business is fast-tracking full productivity in new graduates through a proprietary training program

CEO Message



known as the Terakoya Method. We are also advancing digitalization, including the active adoption of generative AI company-wide and the use of Robotic Process Automation (RPA) to automate routine tasks and quantify reductions in labor hours. As we advance DX, however, I believe we must remain mindful that it is only a means and not an end goal. As an example, reducing labor hours through efficiency is not the goal; rather, enabling employees to spend more

time on higher value-added work is the true goal. On the front lines of business, however, there is a tendency for means to become ends in themselves. Accordingly, we need to always keep an eye on whether our efforts are heading in the right direction, and make course adjustments as necessary.

Uniting with shareholders and investors to enhance our corporate value

We will continue striving to meet the expectations of our shareholders and investors by achieving sustainable improvement in corporate value and stable, ongoing shareholder returns. From FY2023, we supplemented our existing consolidated dividend payout ratio of 40% with a new dividend policy indicator, a DOE (dividend on equity) of 2.5%. Shifting to a policy of enhanced commitment to shareholder returns, we will apply the higher of these two measures. Another significant recent change that I want to communicate to shareholders is our introduction of a restricted stock-based compensation plan. This plan enables

the payment of a portion of executive compensation in the form of the Company's stock. I have held shares for some time as a member of the founding family, but I have also long wished for other executives, and more employees in the future, to unite with shareholders in spirit and move as one toward our shared goals. Based on my experience at a securities firm, I am convinced that such a plan is extremely important for enhancing corporate value and have advocated for its introduction. Although it took some time, we were finally able to realize this in 2023. I expect that the move will further heighten executives' awareness and motivation to enhance the Company's stock price. Looking ahead, I hope to undertake further initiatives that will let shareholders, executives, and employees unite in aiming for increased corporate value.

Embracing our rich history and pioneering the future without fear of change

A key challenge that top management faces today is how to realize group-wide synergies as early and as fully as possible. I recognize this as a major challenge that was left unresolved in our previous Marubun Nextage 2024 Medium-Term Business Plan. Overcoming differences in culture and systems among Group companies to concentrate the full power of the Group will require considerable time and effort. Toward that end, rejuvenating our human resources and revitalizing major positions are essential. We are actively appointing younger personnel to key positions such as division and department heads to accelerate generational change. We have also set specific numerical targets, such as increasing the ratio of managers in their 40s. I believe that leadership by personnel who hold new ideas and sensibilities in line with the times will transform the organization's mindset and greatly accelerate the pace of transformation.

As the head of the Marubun Group, I am committed to firmly taking up the vital baton of trust passed down for over 180 years and to

CEO Message

maintaining a spirit of constant endeavor that pioneers the future without fear of change. Guided by our Purpose of “Contribute to a brighter future through technologies” and working toward our Vision of “Be the unrivaled and most trusted electronics trading company with unique and original values,” our Company will forge ahead as one.

We will deliver value that exceeds customers' expectations, foster a corporate culture in which employees can thrive, and contribute to the sustainable development of society as a whole. As we work to make that a reality, I invite you to hold high expectations for the Marubun

group's new endeavors. I sincerely thank you for your continued support, guidance, and encouragement.

Hiroshi Horikoshi

September 2025

MARUBUN CORPORATION

President and Representative Director,
Chief Executive Officer (CEO), Chief Operating Officer (COO)

Entrusting Hopes to the Next Generation of Leadership

The electronics sector to which we belong is the industry undergoing the most intense changes, driven by the trends of digitalization and green transformation.

The widespread adoption of high-speed, large-capacity communication networks has accelerated IoT technology, and as adoption of AI technology advances, there are growing expectations for even more advanced technologies and broader applications to address societal challenges. To reliably adapt to these rapidly changing market conditions, launch our next growth strategy, and continue moving forward while maintaining resilience and agility, I believe that perceptive young leaders who can further shift the gears of progress are more necessary than ever.

President Horikoshi possesses the inclusiveness to listen to all employees, the ability to calmly assess situations, and the persistence to see things through to the end. His approach to management based on his own values and beliefs, his clear vision that drives action, and his sincere everyday commitment define the leader that we seek.

I expect that he will fully demonstrate leadership through new ideas and bold execution and, even under a drastically changing environment, will unhesitatingly enhance Marubun's unique corporate value as it strives to become a 200-year company.

Toru Iino

Senior Corporate Advisor (Former President and Representative Director, Chief Executive Officer (CEO))



Value Creation Model

Purpose

Contribute to a brighter future through technologies

Marubun's resources and foundation

Mission

Looking forward and staying ahead, address societal themes and solve customers' issues by leveraging the Group's human capital, technological strengths and service qualities

Finance

- Effective allocation of capital resources and utilization of internal reserves
- Financial planning and management under listed company regulations

Customers and society

- Capabilities for offering proposals to over 3,000 customers
- Partnerships with over 800 suppliers
- Capabilities to promote the "Marubun Brand" in the B-to-B area
- Support for technological advancement through the Marubun Research Promotion Foundation

Internal process

- Network of Japanese and overseas sites of Marubun Group companies
- Robust global supply chain management
- Knowledge of advanced technologies, and solutions development capabilities
- Highly reliable operations management
- Meticulous integrated risk management

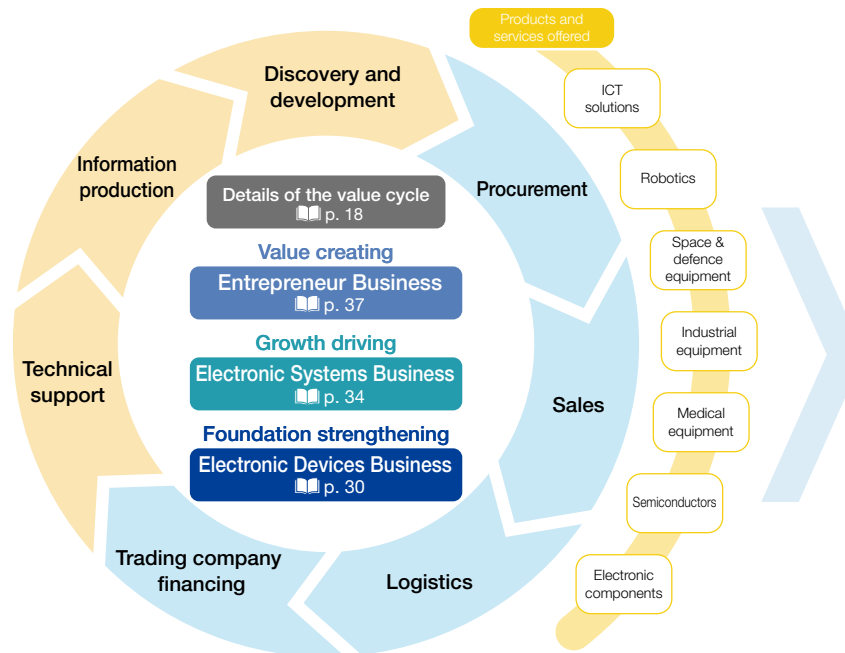
Human resources and infrastructure

- Professional "human capital" group with high expertise
- Strategic recruitment, capacity development, and assignment of suitable human resources
- Corporate culture of "innovation and endeavor without fear of failure"
- Highly reliable management information
- ICT infrastructure that supports business continuity and growth

Marubun's business model and value cycle

Medium-Term Business Plan "Marubun Nextage 2027"  p. 23

Innovating Together



Material Issues  p. 21

Sustainability management  p. 20

Corporate governance  p. 52

Creation of a virtuous cycle of value creation

The value Marubun creates

Vision

Be the unrivaled and most trusted electronics trading company with unique and original values

Solutions to environmental and social issues
Contribution to the expansion of economic welfare

Industrial development through the growth of customer companies

Construction of sustainable social infrastructure

Realization of a safe and prosperous society

Further accumulation of management resources
Further enhancement of management foundation

Accumulation of new technologies and knowledge

Growth of officers and employees, and engagement enhancement

Further expansion of commercial rights foundation

Realization of consolidated financial targets

Marubun's Management Resources and Foundation

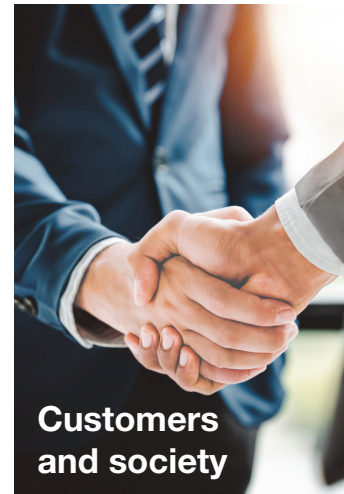
Throughout its 180-year history, the Marubun Group has built up management resources and foundations that drive today's competitiveness, such as highly specialized personnel, abundant technologies and products, an extensive customer and supplier network, and a global business platform. By organically linking these assets, we contribute to solving environmental and social issues and enhancing economic well-being through our business activities, thereby realizing sustainable value creation.



Finance

For sustainable growth, we will establish a robust financial foundation while promoting stable growth in existing businesses and aggressive growth in new businesses. In addition to maintaining the Marubun Group's financial soundness, we will accelerate the creation of outcomes from our business strategies by effective allocation of capital resources and utilization of retained earnings. We will also thoroughly enforce financial planning and operations under listing discipline, aiming to enhance corporate value.

Ordinary profit*	ROE*
6,539 million yen	8.4 %
(FY2024)	



Customers and society

Our company has a solid customer base and extensive supplier network cultivated over 180 years, offering high-quality proposals and services leveraging an abundance of products and technology. Moreover, through support for young researchers in electronics by the Marubun Research Promotion Foundation, we contribute to advancing technological capabilities in Japan. The Marubun Group pursues unwavering relationships with all stakeholders.

Number of customer companies	Number of supplier companies
Over 3,000 companies	Over 800 companies



Internal processes

The Marubun Group utilizes its expertise in cutting-edge technology and strength in solution development, along with its domestic and global network and a solid global supply chain, to provide robust support for our customers' production and procurement activities. Furthermore, we enhance the accuracy of business operations and production efficiency to achieve highly reliable operations. Through meticulous integrated risk management, we ensure steady execution of global initiatives.

Number of affiliate companies	Number of countries of business
15 companies	10 countries
	50 locations or more
(As of April 1, 2025)	



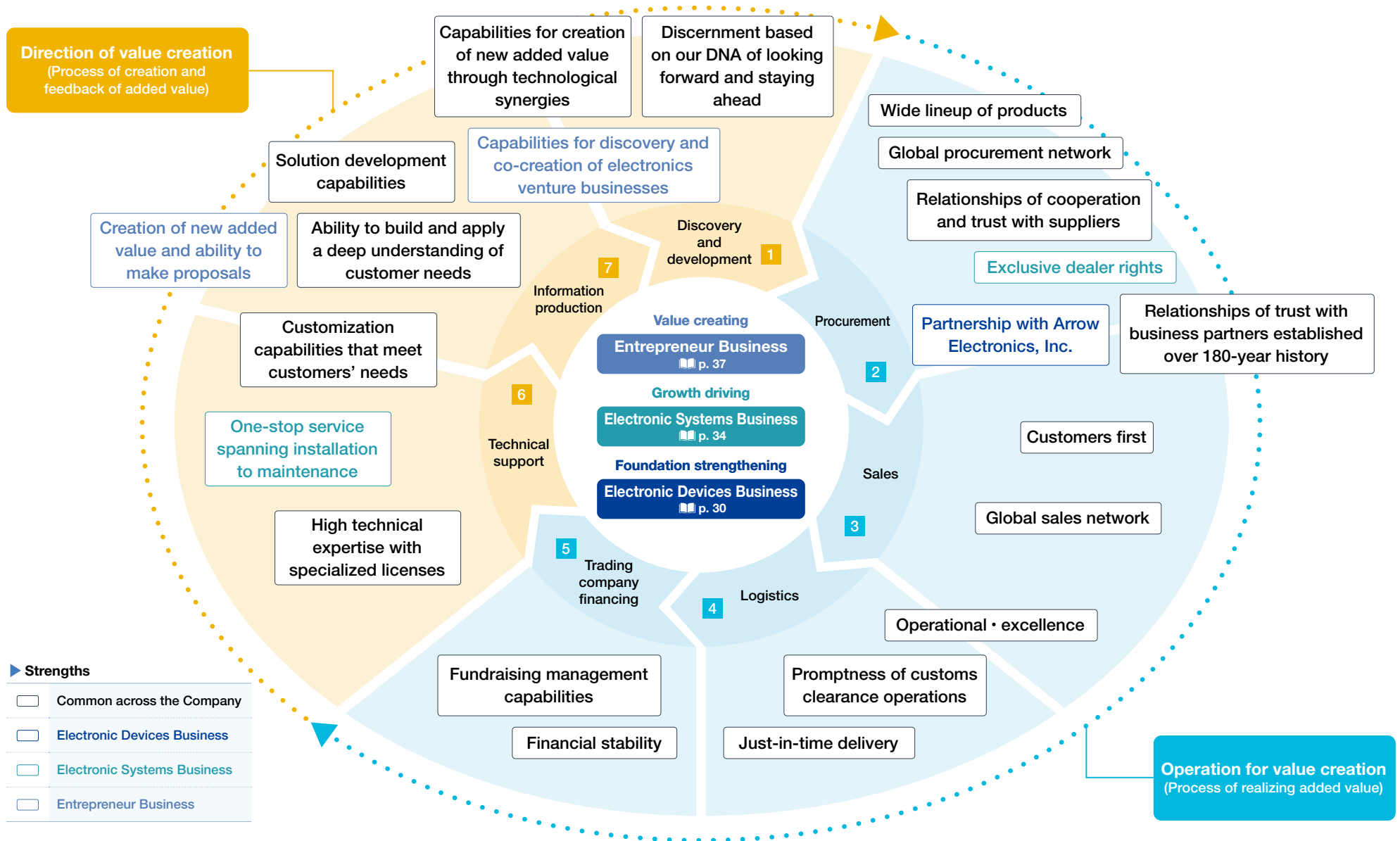
Human resources and infrastructure

Our company aims to be a highly specialized professional group and seeks to enhance employee autonomy and human capital value through strategic recruitment, development, and optimal staffing. We foster a corporate culture of "innovation and challenge without fear of failure," promoting innovation and communication. Furthermore, by leveraging highly reliable management information and an ICT infrastructure that supports business continuity and growth, we will establish a solid business foundation and achieve sustainable growth.

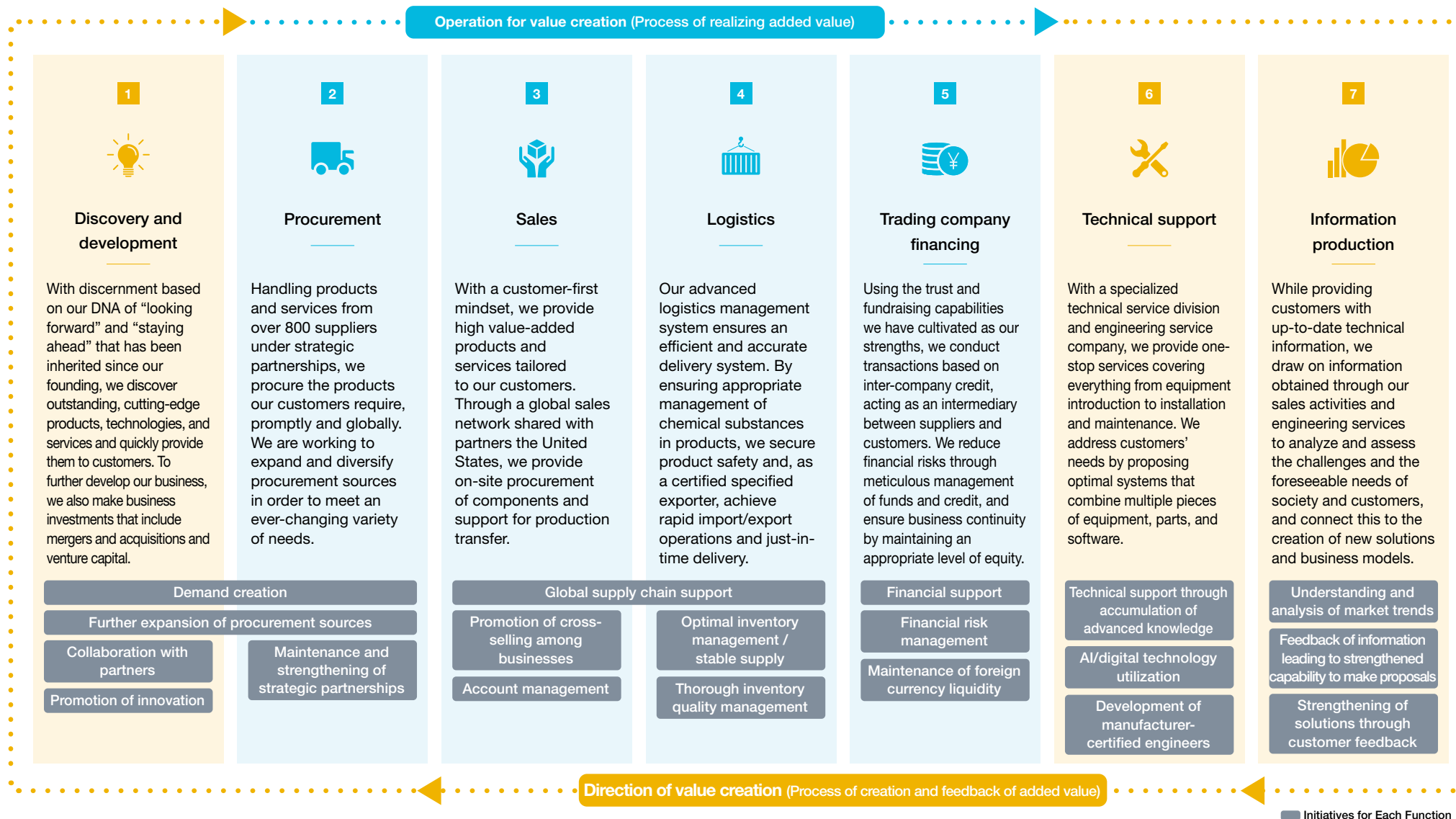
Number of standalone employees	Number of consolidated employees
633 people	1,179 people
(As of March 31, 2025)	

* From the first quarter of the fiscal year ending March 2026, we have changed our accounting policies and present retroactively adjusted figures.

Value Cycle and Marubun's Strengths



Seven Functions and Initiatives of the Value Cycle



Sustainability

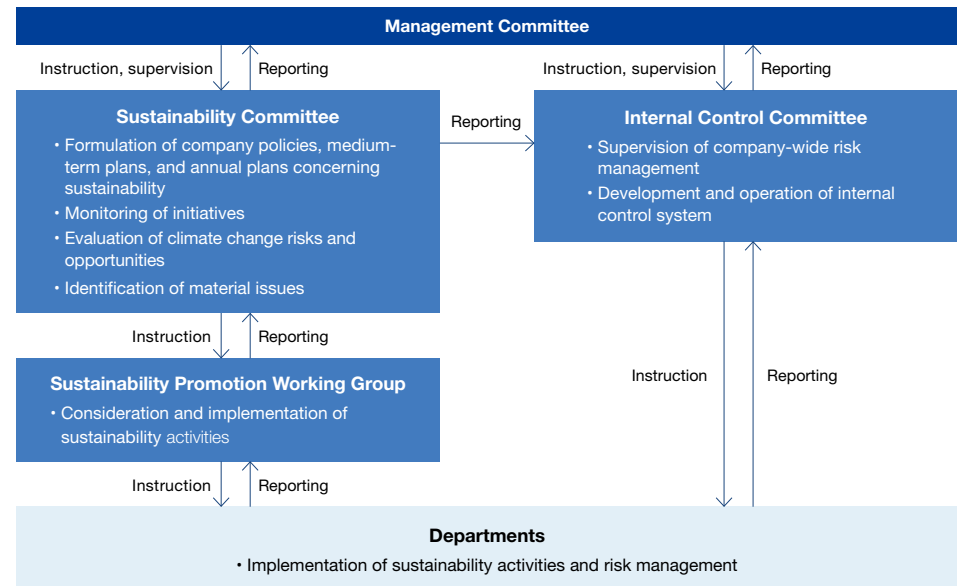
Basic Approach

With “Contribute to a brighter future through technologies” as our Purpose, Marubun is tackling solutions to social issues through the field of electronics. By uncovering the latest products and technologies from around the world and adding our own services and solutions to these, we aim to achieve enhanced customer satisfaction and a better society.

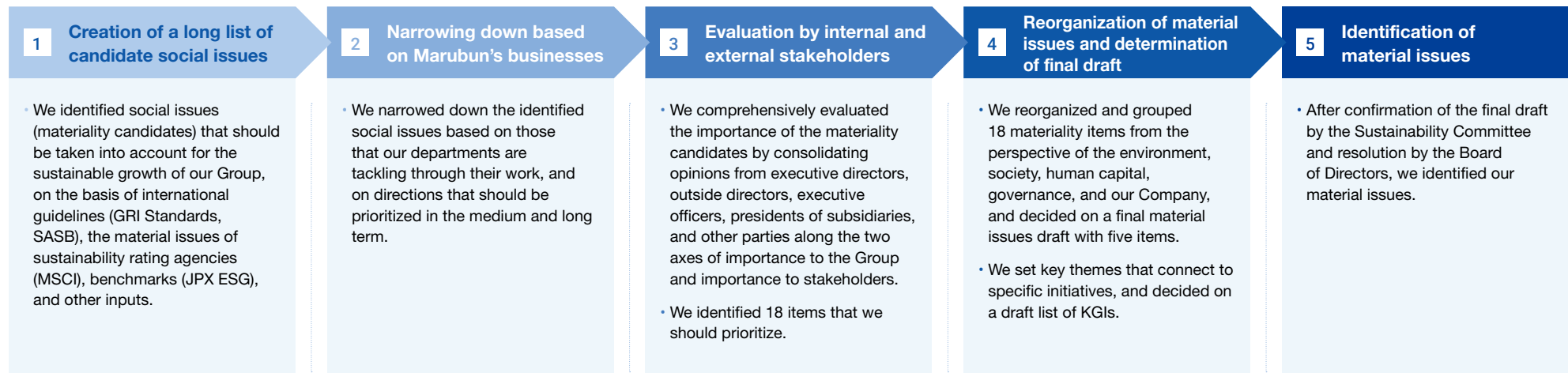
Our Company has established a Sustainability Committee as a structure for discussion and deliberation on the monitoring of initiatives and the formulation of sustainability-related policies and plans under the supervision of the Management Committee. The Sustainability Committee is chaired by the Representative Director and CEO and has executive directors and the heads of relevant departments as members.

With a brighter future as our goal, in FY2024 we identified our material issues through the process outlined below, with the Sustainability Committee confirming the final draft and the Board of Directors rendering a resolution.

Sustainability promotion structure



The materiality identification process



Sustainability

The Marubun Group's Material Issues

Material issues	Key themes	Key goal indicator (KGI for target states)
Contribution to restoration and conservation of the global environment and to its sustainability	Promote initiatives for a recirculating society	- As a milestone toward achieving carbon neutrality in or before 2050, reduce our in-house GHG emissions (Scopes 1 and 2) to less than 50% of the 2019 level by 2030. - Ensure all the industrial waste generated in our business activities is properly monitored and managed until it is completely recycled or disposed of. - Continue to be involved in and contribute to the promotion of resource recycling systems that are needed by society through our business operations and investments.
	Identify and introduce new clean technologies	Further expand ecologically sound product lines across consolidated business operations.
Realization of a safe, prosperous and sustainable society	Expand activities to contribute to society and local communities	- Promote and maintain support for developing the public good and contributing to organizations. - Continually encourage employees to participate in social action programs and contribution activities.
	Offer reliable products, services and stable supply chain infrastructure	- All requests from customers regarding the quality and safety of our products and services are properly addressed. - Fully obtain our suppliers' understanding and cooperation with our Sustainable Procurement Guidelines. - The enhancement of our operational infrastructure and the reliability of our client service operations is realized and maintained at high levels (i.e., our "operational excellence" is effectively achieved and sustained).
Enhancement of human capital strategies aligned with our Purpose	Strengthen programs for talent acquisition and development to constitute a highly professional group of employees	- Human capital strategies consistent with our Purpose and our business strategies are properly defined for their implementation, and all relevant human capital management measures are effectively implemented. - Support programs for autonomous career development and the cultivation of human resources are effectively designed, established and functioning.
	Consistently improve employee engagement	- Continuously enhance employee engagement through various human capital strategies and HR measures. - Our Employee Net Promoter Score is always greater than the average for the wholesale industry category that we operate within.
	Encourage the empowerment and promotion of employees that are women	Ensure employees that are women are 15% or more of our management-level employees.
Establishment and administration of a solidified group governance framework	Continuously improve stakeholder engagement	- Engagement opportunities for our shareholders and investors are sufficiently offered. - Through the improvement of IR events and tools, the quality and quantity of the information we disclose is continuously reviewed, and a high reputation is objectively and comparatively established among our stakeholders.
	Reinforce the compliance of all Group companies	Throughout our consolidated Group businesses, all legal and policy compliance is thoroughly ensured. (We have absolutely zero recognized compliance violation incidents outstanding).
	Continuously enhance strategy management and risk management frameworks	- Business plans at the Group level are institutionally decided and reviewed in timely manner in light of macroeconomic trends, and the Group's strategic directions are articulately communicated both internally and externally. - The Group's strategic directions and measures are compatible with the management plans of each business unit as well as with each individual employee's goal setting (via Management by Objectives), and the PDCA cycle is organically and consistently functioning at all levels. - Integrated risk management is functioning at a high level for the early detection and correction of any specific risk elements or incidents. - IT systems infrastructure, which is the foundation for managing information, is maintained stably and operated effectively.
Addressing social issues through the development of cutting-edge technologies and solutions	Staying ahead of the change in the demand generated by society, introduce products and services with new added value	Continue to cultivate, identify and deliver products and services with new added value, by way of exploring new potential value for society.
	Solve customers' issues by offering solutions as an electronics trading company	By effectively capturing customers' concerns and needs, continue to offer measures to respond to customer's by leveraging solution development and technological capabilities.
	Initiate innovation through strategic partnerships and collaborations	Products and services in a new scope of business and new business domains created through strategic partnerships and collaborations are contributing to the expansion of business and the growth of the revenue of the Group.

The Path to Value Creation

Medium-Term Business Plan

Our Vision

Throughout our 180-year history, we have embodied our DNA of “looking forward” and “staying ahead,” continuously transforming and growing in response to the demands of the times. Currently, under our Purpose of “Contribute to a brighter future through technologies.”, our group aims to fully utilize the resources and foundation we have built up to maximize our added value as an electronics trading company.

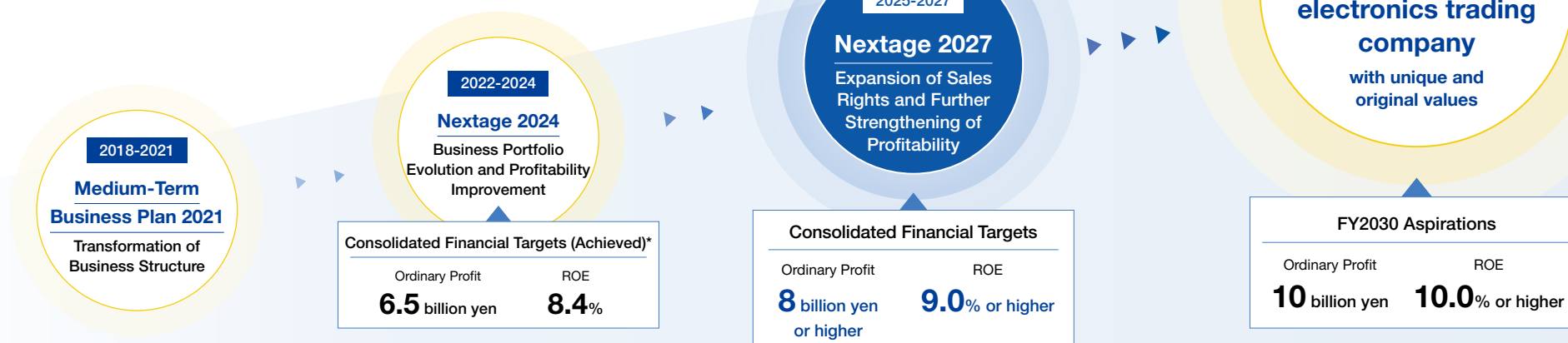
Beginning with the “discovery and development” of products in specialized fields, followed by “procurement,” “sales,” “logistics,” “trading company financing,” “technical support,” and “information production,” the “Marubun Value Cycle ( p. 18)” enables us to deliver comprehensive services and solutions that make the most of our Strengths, thereby realizing our management vision of “Be the unrivaled and most trusted electronics trading company with unique and original values.”

The Marubun Group announced its “Marubun Nextage 2024” Medium-Term Business Plan in May 2022. Although the business environment during the previous plan was highly uncertain, we responded accurately to customer demands and needs, and achieved our financial targets (ordinary profit of at least 6 billion yen and ROE of at least 8.0% for FY2024).

We will continue to closely monitor the ever-growing electronics market, further expand our business domains and enhance profitability, and actively pursue our growth strategy. As a guide for this, we have formulated the new “Marubun Nextage 2027” Medium-Term Business Plan.

Positioning of the “Marubun Nextage 2027” Medium-Term Business Plan

* From the first quarter of the fiscal year ending March 2026, we have made changes to our accounting policies. Figures for the fiscal year ended March 2025 (FY2024) have been retroactively adjusted.



Medium-Term Business Plan

Overview of the New “Marubun Nextage 2027” Medium-Term Business Plan

In “Marubun Nextage 2027” Medium-Term Business Plan, in line with our Purpose, the new slogan is “Innovating Together.”

Through our new Medium-Term Business Plan, we will pursue further growth as an “unrivaled electronics trading company with unique and original value” and, by upholding “Responsible Business”—a management approach aiming for sustainable business growth while considering social and environmental impacts and the interests of a wide range of stakeholders—create both social and economic value and contribute to society.

Basic Policy

1 Responsible Business Perspective

Pursue responsible business

The Company will strengthen its initiatives related to material issues (IR p. 21) and reinforce its sustainability management, aiming to do business in way that helps to bring about a better future.

2 Business Strategy Perspective

Achieve profitability in new businesses

The Company will establish a profitable business foundation at an early stage to launch new businesses with a spirit of endeavor and persistence. The Company will also actively explore opportunities for strategic alliances and investments.

Expand the foundations in existing businesses

The Company will strengthen its business foundations while building resilience by expanding its customer base, strengthening collaboration with suppliers, improving operational excellence, and improving productivity and efficiency.

Reinforce group synergy

The Company will respond to the needs of customers and society by providing its unique added value through collaboration between its domestic and overseas group companies, and the development of solutions and promotion of cross-selling between business segments.

3 Foundation Strategy Perspective

Enhance strategic management to promote the value creation model

The Company will promote the effective circulation of the Marubun Value Cycle through strengthening strategy and measure management and the enhancement of integrated risk management, thereby establishing a foundation for business growth.

Develop human capital strategy

The Company will develop a human capital strategy that aligns with its corporate philosophy and management strategy, build a corporate culture that embraces innovation and challenges without fear of failure, and aim to become a professional human capital organization harboring highly specialized expertise.

1 Strategic related to the responsible business perspective

Under our philosophy framework (IR p. 01), we leverage the management resources and infrastructure accumulated by our company, and through our unique business models and value cycle, we create not only economic value but also social value. While aiming to further enhance our management resources and infrastructure, and with an eye toward contributing to solving environmental and social issues, we will also address the separately defined “long-term key goal indicator (IR p. 21)” and work on the following related themes.

► Responsible business themes

- **Contribution to restoration and conservation of the global environment and to its sustainability:**
Promote initiatives for a recirculating society, identify and introduce new clean technologies
- **Realization of a safe, prosperous and sustainable society:**
Expand activities to contribute to society and local communities, offer stable supply chain infrastructure
- **Addressing social issues through the development of cutting-edge technologies and solutions:**
Solve problems by providing innovative products and solutions and driving innovation
- **Continuously improve stakeholder engagement:**
Effectively implement IR, SR, and PR activities, promotion of sustainability-related initiatives and disclosure

2 Strategic themes related to the business strategy perspective

For more information about each business, please refer to the respective pages.

3 Strategic themes related to the foundation strategy perspective

To solidify the foundation for sustainable value improvement through our “Value Creation Model (IR p. 16)”, we will work on the following foundational strategic themes.

► Foundation strategy themes

- **Enhance human capital strategies in alignment with our Purpose:**
Strengthen recruitment and training of personnel, reinforce employee engagement
- **Establish and administer a solidified group governance framework:**
Continuous upgrading of strategic management and risk management, ensure and promote compliance throughout the entire Group
- **Develop and operate effective and stable IT systems and infrastructure**

Medium-Term Business Plan

Five Main Markets

Under the Marubun Group's Marubun Nextage 2027 Medium-Term Business Plan, as an “electronics trading company that provides unique value,” we contribute to the development of society through electronics products and solutions. We have five key markets where we always supply high-performance semiconductors, electronic components, and systems to meet the diverse needs of our customers and deliver value.

Space and Defense

— Supporting national security and social infrastructure

The defense field is responsible for national security, while the space field supports essential communication and positioning systems for people's daily lives. We handle and supply products boasting the highest quality standards to these core areas of society. In this market, which is expected to become even more important from an economic security perspective, we will continue to lead technological innovation, contributing to unwavering national security and the development of advanced social infrastructure.



Focus market

Medical/Healthcare

— A trusted partnership that stands beside medical workplaces

We deliver leading-edge medical devices from around the world, including ultrasound diagnostic equipment, to medical workplaces in Japan. Our greatest strengths lie not only in proposing and selling equipment, but also in our ability to consistently handle post-delivery maintenance and upkeep. Listening to voices at the site and offering continuous support to ensure stable operation of equipment is proof of our partnership with the medical field. We will continue to support medical workplaces that protect the health and future of people.



Focus market

Mobility

— Invisible key technologies that accelerate the evolution of mobility

From instrument panels that provide essential information to drivers to entertainment systems for passengers to enjoy. Our semiconductors help enhance the “experience value” of automobiles. We supply products that contribute to the realization of a new mobility society.



Industrial Equipment

— Contributing to sustainable industrial growth with high efficiency and high reliability

Our products play a vital role in FA equipment that promotes factory automation, as well as in analytical inspection equipment. Highly efficient and reliable semiconductors and product lines contribute to improved productivity, energy savings, and the building of a sustainable social foundation.



Consumer Equipment

— Providing a richer and more comfortable way of life

Our semiconductors are used in products that enrich everyday life, such as televisions, refrigerators, cameras, and game consoles. By contributing to improved device performance and energy savings, we support the realization of a more comfortable and convenient lifestyle.



CFO Message



Yuzo Nakada

Executive Director
Chief Financial Officer (CFO)
Chief Strategy Officer (CSO)

“ We will achieve sustainable growth through the formulation and execution of effective business strategies, financial initiatives, and non-financial initiatives. ”

Achievement of the quantitative targets of the Marubun Nextage 2024 Medium-Term Business Plan

In FY2024, the final year of the Marubun Nextage 2024 Medium-Term Business Plan (hereinafter “previous Medium-Term Business Plan”), net sales resulted in 210.8 billion yen, a decrease of 25.6 billion from the previous fiscal year. Ordinary profit*¹ was 6.5 billion, an increase of 0.9 billion yen year on year, and profit attributable to owners of parent*¹ was 4.4 billion, an increase of 1.0 billion yen year on year. Net sales decreased as demand weakened for products overall, including semiconductors for automotive and PC peripheral applications, finishing below the initially planned 212.0 billion yen. Conversely, ordinary profit and profit attributable to owners of parent far exceeded the initial forecasts of 5.0 billion yen and 3.0 billion yen, respectively, resulting in increased profit. Continued efforts to streamline our balance sheet and lower our dollar interest costs enabled a 0.7 billion yen reduction in interest expenses compared to the previous fiscal year, and the appreciation of the yen toward the end of the fiscal year contributed to a 0.7 billion yen foreign exchange gain due to valuation gains on foreign currency borrowings and settlement gains on foreign exchange hedges. As a result, ROE*¹, which our Company positions as a key management indicator along with ordinary profit, improved by 1.5 points year on year to 8.4%, exceeding the target value set in the previous Medium-Term Business Plan.

In hindsight, the previous Medium-Term Business Plan was formulated amid a sense of stagnation caused by the loss of major commercial rights and the recording of two consecutive years of final net losses. However, that is why we considered it necessary that we demonstrate unwavering resolve both inside and outside the Company, and for the first time we released our Medium-Term Business Plan to the public. We set ordinary profit of 6.0 billion yen and ROE of at least 8.0% as challenging yet achievable quantitative targets. As noted, we achieved both targets. On the qualitative side, there was progress in initiatives aimed at growth in existing businesses and the creation of new businesses within Group companies. However, in the pursuit of synergies among consolidated Group companies, despite progress in “Marubun Group” branding-related measures, there were no notable results in the achievement (i.e., monetization) of new synergies, which remains a theme for the future.

*¹ From the first quarter of the fiscal year ending March 2026, we have made changes to our accounting policies. Figures for the fiscal year ended March 2025 (FY2024) have been retroactively adjusted.

Striving for stable earnings growth with a view to improving PBR

During the period of the previous Medium-Term Business Plan, the PBR of the Company’s stock reached as high as 0.94. However, it fell below 0.5 by the end of FY2024 partly due to macroeconomic factors. We

CFO Message

also recognize fluctuation in business performance as a reason for the Company's low PBR. In our analyses, high volatility and limited predictability of our future performance have dampened the expectations of the capital markets. We believe that we must establish a business structure on a consolidated basis in order to consistently achieve ROE of 8.0% or higher.

As the term “silicon cycle” suggests, supply and demand trends for our mainstay product of semiconductors often fluctuate to a large degree and have a significant impact on our business performance. Because we handle large volumes of imported merchandise, exchange rate fluctuations exert an unavoidable impact, and we may recognize foreign exchange valuation gains or losses*² depending on exchange rate levels at the end of each fiscal period. Moreover, as working capital for our foreign-currency denominated assets is primarily funded by U.S. dollar-denominated impact loans, trends in short-term U.S. dollar interest rates have become another key variable affecting our profitability. We also have a degree of sensitivity to day-to-day exchange rate movements through the fiscal year when determining foreign currency-denominated profits in yen. As such, a number of factors generate volatility in our business performance. Ideally, we seek to demonstrate a stable growth trend not only on a three-year cycle of our Medium-Term Business Plans but also on a fiscal year basis. To achieve this, it is vital that we implement finance-driven initiatives such as refinement of profitability and inventory management through advanced management accounting, and enhancement of financial risk management that includes the monitoring of foreign currency-denominated asset/liability gaps, thereby managing and controlling short-term financial risks. This is one of my responsibilities as CFO.

*² For information on mechanisms behind foreign exchange losses at our Company, please visit [our website](#).

Formulation of the Marubun Nextage 2027 Medium-Term Business Plan

Based on achievements and identified areas to address through our previous Medium-Term Business Plan, we formulated the new Marubun Nextage 2027 Medium-Term Business Plan (hereinafter “new Medium-Term Business Plan”) with FY2027 as its final year and set forth five strategic themes as basic policies of the plan. As we engage in strategic measures under each of these themes, we will monitor factors that impede the execution of strategy as risks and will steadily implement integrated risk management aimed at the early detection and correction of risks.

Keyed to the formulation of the new Medium-Term Business Plan, we also set a long-term aspiration of achieving 10.0 billion yen in consolidated ordinary profit and an ROE of at least 10.0% by FY2030. The new Medium-Term Business Plan's quantitative targets of ordinary profit of 8.0 billion yen and ROE of 9.0% are positioned as intermediate milestones toward realizing this long-term aspiration. Achieving these quantitative targets requires that we aim for an average annual ordinary profit growth rate of at least 8.0%. Toward that end, growth that exceeds overall market expectations (securing beta)—that is, the pursuit of alpha—is indispensable. We recognize that this will demand the effective promotion of strategic initiatives, including improvements in productivity and efficiency.

We created the new Medium-Term Business Plan through discussions among Group companies, including consolidated subsidiaries but without the consulting support by external advisors, concerning our strengths and initiatives as an electronics trading company. Within the Company, there was already a shared understanding of our strengths with regard to sustainable growth and the value creation model that utilizes them, fostered

through town hall meetings and other opportunities. Under our policy of “writing our mid- to long-term growth story on our own,” we concentrated the knowledge and enthusiasm of Marubun Group companies to confidently formulate our Group's medium-term growth strategy by ourselves.

At the same time, if impacts of reciprocal tariffs with the U.S. turn out to be unavoidable in FY2025, the first year of the new Medium-Term Business Plan, uncertainty surrounding the global economy is likely to increase further. Our Company mainly engages in B-to-B business for Japanese manufacturers, making us highly sensitive to customers' global-level production plans. A number of major business partners have already announced conservative sales projections, which means that we cannot be optimistic about our own business performance. On the other hand, exports to the U.S. do not account for a high percentage of our trade sales, and our consolidated business portfolio includes a sizable portion of domestic demand-related transactions. We believe that this provides us with a certain degree of resilience. Comprehensively taking these circumstances into account, we considered it reasonable to set projections that reflect uncertainty as at the beginning of the fiscal year. Our performance forecasts for FY2025 (announced on May 9, 2025) include net sales of 206.0 billion yen, ordinary profit of 4.3 billion yen, and profit attributable to owners of parent of 2.5 billion yen.

► Financial Targets for FY2027

Net Sales (Planned Value)	Ordinary Profit (Target)	Ordinary Profit Ratio (Planned Value)	ROE (Target)
240 billion yen	8 billion yen or higher	3.3% or higher	9.0% or higher

CFO Message

Accelerating our growth strategy while seeking opportunities for non-organic growth

A key theme under our new Medium-Term Business Plan is the acceleration of growth. What forms a foundation for organic growth through independent customer development and the expansion of product offerings is none other than human capital. As the saying goes, “A trading company is its people.” We do more than serve merely as an intermediary in distribution; the added value generated by our employees is a source of our competitiveness^{*3}. Accordingly, the strategic allocation of resources to human capital is naturally an important theme. Our recent establishment of the Human Capital Committee under the Management Committee is a reflection of this. To strengthen our commercial rights foundation, we must attentively address the needs of business partners (suppliers and buyers) and continuously improve operational efficiency. As components of our growth investment, we are also proactively undertaking ICT-related investment and the utilization of generative AI.

At the same time, we will also explore opportunities for non-organic growth more actively than ever before. We have announced our aim to achieve a dividend payout ratio of 40% in our shareholder returns, which means that the Company temporarily retains about 60% of fiscal year profits in the form of retained earnings. In this way, while working to enhance our equity ratio and to increase our financial soundness, we will quickly act on M&A opportunities at home and abroad that are aligned with the policies of the new Medium-Term Business Plan.

To capture opportunities for non-organic growth, it is important that we have the readiness to quickly assess diverse business investment opportunities and streamline our internal decision-making processes. We are building a structure for proactively addressing such opportunities

through special project teams in accordance with strategic importance. During the period of the previous Medium-Term Business Plan, we also accumulated practical experience by responding to specific real-life cases. In line with the formulation of the new Medium-Term Business Plan, we also updated our primary screening approach toward non-organic growth opportunities, as summarized in the internal document that we call the “M&A Playbook.” As a set of internal guidelines for the screening of M&A cases, this document describes the Marubun Group’s targeted business domains on a consolidated basis, initial screening approaches for specific cases, our approach to valuation, the expected scope of due diligence, post-merger integration (PMI) plans, and blueprints for governance frameworks. This information is shared among management and internal stakeholders. Moreover, while taking a top-down view of the expected overall process, the document sets responsible departments for all screening items. As such, the document functions as an internal manual when we encounter business investment opportunities.

For investments in venture businesses or other investment opportunities that do not assume effective control by the Company, including cases aimed at strategic holding, we separately set investment and loan regulations and standards for use as guidelines in decision-making and practical procedures by responsible departments when screening specific cases. In our post-investment management framework, every case is comprehensively monitored by the Investment and Loan Subcommittee under the Management Committee, with discussion and reporting based on detailed analysis of the status of cumulative capital recovery (financial return), realization of business synergies (strategic return), and the static and dynamic aspects of investments and loans.

^{*3} The intermediary value of our Company is made visual as the Marubun Value Cycle. See  p. 18.

Paying stable and continuous dividends while working to enhance our shareholder returns policy

During the period of the new Medium-Term Business Plan, our basic policy regarding shareholder returns remains the payment of stable and continuous dividends. During the period of the previous Medium-Term Business Plan, in addition to our earlier-noted guideline of a 40% dividend payout ratio, we introduced dividend on equity (DOE) ratio as a new indicator that also functions as a lower bound for dividends. Specifically, we set the lower limit for annual dividends to an amount equivalent to 2.5% of shareholder equity (based on two-year average value). Additionally, in response to strong requests from our growing base of individual investors in Japan regarding shareholder benefits, and in light of our achievement of mid-term financial targets in our 180th anniversary year of FY2024, we will offer a special shareholder benefit (a QUO card worth 1,000 yen to all shareholders with at least one unit of shares listed on the shareholders’ register as of the end of September 2025). We will continue to undertake sustainable enhancement of our corporate value and, taking into comprehensive consideration factors such as business performance, the management environment, and internal reserves, will strive to enhance our shareholder return measures.

Toward the sustainable enhancement of corporate value

My role as CFO also includes current state analysis and the formulation and promotion of policies concerning “management conscious of cost of capital and stock price”^{*4}, aimed at the sustainable enhancement of corporate value. Efforts to improve PBR, a key indicator for

CFO Message

evaluating corporate value, is an important management issue for our Company. As a path toward this, we are focused on two elements: reduction of the cost of capital as shareholders' expected return, and enhancement of ROE. Our policy is to achieve and consistently maintain an ROE that exceeds the cost of capital, while further expanding the difference between the two, known as equity spread. However, we do not prioritize the simple boosting of ROE solely by reducing its denominator. As noted earlier, we are actively studying the allocation of additional internal equity reserves toward growth investment opportunities.

At the same time, to reduce the cost of capital, we will make continuous efforts to broaden our investor base and to gain greater recognition and evaluation of our Group's businesses. We will also steadily engage in IR (Investor Relations), SR (Shareholder Relations), and PR (Public Relations/Advertising), with cost-effectiveness taken into account.

I further believe that it is the CFO's role to communicate to Group employees the significance of creating

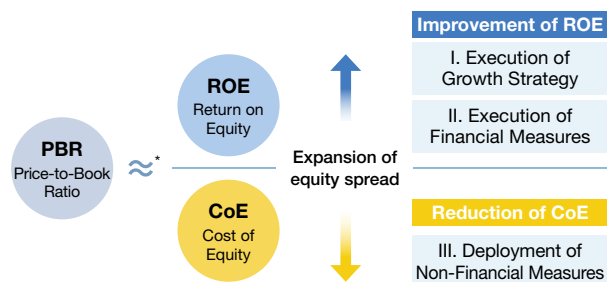
added value in every work role and of contributing to corporate value enhancement through outcomes. To enhance employee welfare, foster a sense of contribution to increased corporate value, and align employees' interests with those of shareholders, in August 2025 we introduced an employee shareholding association restricted stock (RS) incentive plan, positioned as an institutional benefit initially aimed at non-consolidated Company employees.

To raise capital efficiency, we are also reviewing our strategic stock holdings^{*5}. As of the end of FY2024, our strategic holdings totaled approximately 2.5 billion yen, just under 4% of our consolidated total net assets at the time. We will continue to replace or reduce stocks that lack a recognized rationale for strategic holding, taking share prices and market trends into account as appropriate.

^{*4} For information on our initiatives for the sustainable enhancement of corporate value, please visit [our website](#). The disclosed content is a compilation of our Company's measures in accordance with the Tokyo Stock Exchange's "Request Concerning Action, etc. to Implement Management that is Conscious of Cost of Capital and Stock Price," and is listed as one of 42 examples selected by the Tokyo Stock Exchange for use as reference.
<https://www.jpix.co.jp/news/1020/mk1p77000000lw4e-att/mk1p77000000lyh0.pdf>

^{*5} For information on our policy for the reduction of strategic stock holdings, please visit [our website](#).

► Management Conscious of Cost of Capital and Share Price



^{*} An approximate formula when conservatively assuming a future profit growth rate (g) of zero and a given short-term target ROE

We aim to create not only economic value but also social value

I serve as both CFO and CSO (Chief Strategy Officer). Accordingly, in addition to fulfilling my financial responsibilities and addressing financial issues, I am deeply involved in formulating management strategies for the consolidated Group.



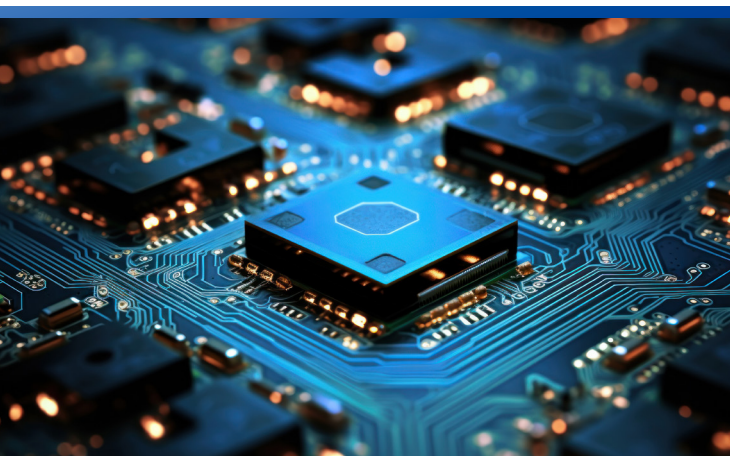
I played a leading role in formulating the new Medium-Term Business Plan, and placed a strategic focus on longer-term perspectives. This is reflected in the main theme for initiatives under the new Medium-Term Business Plan, "Pursue responsible business." Our Company has also specified "Five Material Issues" and "Thirteen Key Themes" as matters to be addressed as priorities in growing together with society. To indicate the direction of our initiatives, we set and publicly announced long-term key goal indicators (KGIs).

Through these initiatives, our Company has indicated its medium- to long-term commitment to creating not only economic value but also social value, and is actively undertaking concrete measures. We believe that the value of a company is recognized through its solving of social issues. Speaking frankly, I believe that business performance and other financial outcomes can be seen as elements subordinate to this.

By formulating and executing effective business strategies, financial measures, and non-financial measures, we will persist in management efforts aimed at realizing sustainable growth. Your continued support is greatly appreciated.

Electronic Devices Business

Distribution business for semiconductors and electronic components



Strengths

- Partnership with Arrow Electronics, Inc.
- Global sales network

Opportunities and Risks

Opportunities

- Further increase in semiconductor demand
- Expansion of Industrial Equipment (robotics, infrastructure), mobility (automotive), and medical/healthcare businesses
- Increase in global support requests from customers

Risks

- Semiconductor shortages
- Further fluidity of commercial rights and other changes in the sales strategies of semiconductor manufacturers
- Geopolitical risks including U.S.-China trade friction (export restrictions, tariffs, etc.)
- Event risks including market conditions, finance, and natural disasters

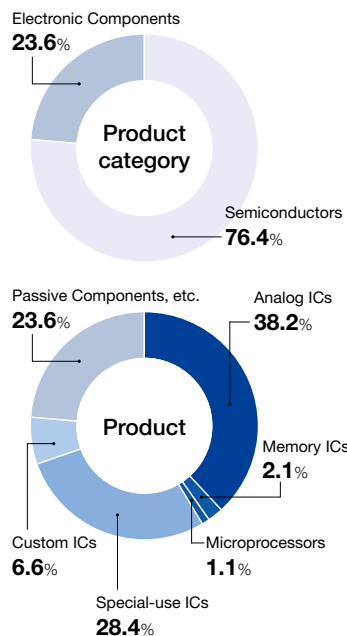
Electronic Devices Business

Business Overview and Future Developments

Leveraging strong partnerships with approximately 800 suppliers, our Company offers a wide range of products. Analog ICs are one of our main products, accounting for about one-third of our sales in the most recent FY2024. Special-use ICs also account for about a third.

Analog ICs accounted for 40–50% of sales a decade ago, but the sales composition ratio has been adjusted to the current values due to changes in accounting standards. The sales composition ratio of Electronic Components, once about 10%, has risen due to growing demand for connectors under the shortage of semiconductors since 2022. Under the current inventory adjustment phase, we expect the composition ratio for FY2025 to decrease slightly from the previous year. Under today's rapidly accelerating technological innovation, we expect the Electronic Components business to grow in importance. We will focus on the highly profitable field of passive components and aim for further business expansion.

► Sales Composition Ratio and Overview by Product Category



Product Category	Product	Overview	Main Applications / Product Examples
Semiconductors	Analog ICs	Integrated circuits for processing and controlling continuous quantities (analog signals) including audio, video, electrical power, and temperature.	Power circuits, audio amplifiers, sensors, wireless communications
	Memory ICs	Integrated circuits specialized for memory and storage of digital information. Examples include DRAM for temporary data storage and flash memory for long-term storage.	PCs, smartphones, SSDs, USB memory
	Microprocessors	The core component that acts as the “brain” of computers and electronic devices, responsible for data computation and overall system control. Includes MPUs and MCUs.	PCs, servers, smartphones, electronic control units (ECU) for vehicles, industrial robots
	Special-use ICs	Integrated circuits designed to achieve general-purpose functions for specific applications (markets). ASSPs fall under this category.	Image processing for smartphones, sensors for in-vehicle cameras, audio processing for audio equipment
	Custom ICs	Integrated circuits specifically designed and manufactured to optimize functions for specific products of specific customers. ASICs and FPGAs fall under this category.	Dedicated customer equipment, cutting-edge communication devices, data centers, etc.
Electronic Components	Passive Components, etc.	Components that provide basic functions for electronic circuits. They play roles including current adjustment (resistors), electrical storage (capacitors), and signal transmission (connectors).	All types of electronic devices (resistors, capacitors, coils, connectors, etc.)

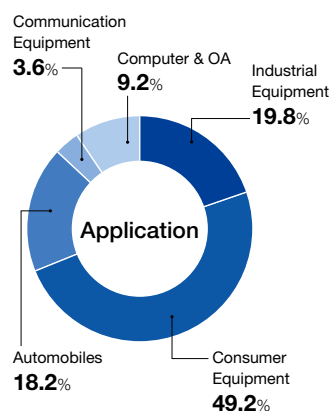
Electronic Devices Business

Electronic Devices Business

Main Markets and Future Developments

The wide-ranging semiconductor products we offer are mainly used by Japanese customers in the manufacturing industry. They contribute significantly to the Consumer Equipment sector in particular, accounting for about half of the sector's sales in FY2024. For approximately eight years until FY2020, the communication equipment field accounted for nearly half of sales. Following changes to the Accounting Standard for Revenue Recognition in FY2021, however, the sales composition ratio of the segment dropped to just a few percent. Conversely, the composition ratio of automotive application products has been increasing over the past three years. In line with the increasing use of electric components and the shift to EVs in the automobile industry, we expect the automotive application market to continue growing. We will focus on this field as a priority for the Electronic Devices Business. Similarly, in the industrial equipment market, we will focus on robotics and infrastructure-related sectors against a backdrop of growing demand amid labor shortages and digital infrastructure development, thereby contributing to our customers' businesses.

► Sales Composition Ratio and Overview by Application



Application	Overview	Main Applications / Product Examples
Industrial Equipment	Products for specialized high-performance devices underlying B2B business, including factory automation (FA) equipment and social infrastructure.	FA equipment, measuring equipment, smart meters, IC testers
Consumer Equipment	Products for B2C personal devices and home appliances used in personal life and at home.	Televisions, digital cameras, home appliances, game consoles
Automobiles	Products for electronic devices installed in automobiles, including communication systems and safety driving support systems.	Car navigation, car audio, electronic control units for vehicles, ETC
Communication Equipment	Products for devices used in building network infrastructure including data centers and base stations that connect the world's information.	Smartphones, Wi-Fi modules, tablets, base stations, switches, communication equipment
Computer & OA	Products for enterprise IT devices and information equipment to enhance the intellectual productivity of offices and individuals.	Servers, PCs, multifunction printers (copiers), projectors

Close Up / Strategic Partnership with Arrow Electronics, Inc.

We have maintained a strategic partnership for 27 years with Arrow Electronics, Inc. (hereinafter "Arrow"), the world's largest semiconductor distributor. We established Marubun/Arrow Asia as a joint venture in 1998, followed by Marubun/Arrow USA the next year. By combining Arrow's vast product lineup, market expertise, and global network with our customer base in the domestic market, we aim to enhance mutual competitiveness.

For Japanese customers seeking global expansion, the abundant products and seamless information logistics network provided by Arrow are highly compelling, a factor leading to our partnership.

Through our partnership with Arrow, we will continue to support customers via prompt procurement of materials, supply chain optimization, and smooth overseas production transfers.



Electronic Devices Business



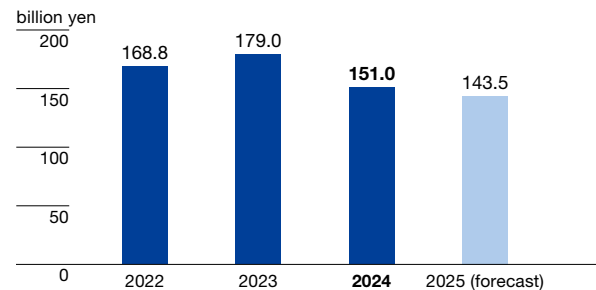
Takehiko Akiyama

Executive Director in charge of
the Electronic Devices Business

Overview for FY2024

Amid ongoing inventory adjustments, the Electronic Devices Business in FY2025 saw a decline in demand for semiconductors for automotive applications and PC and computer peripherals. As a result, net sales decreased by 15.6 % year on year to 151.0 billion yen. Amid lower sales, operating profit* also declined by 42.2 % year on year to 6.0 billion yen.

► Net Sales

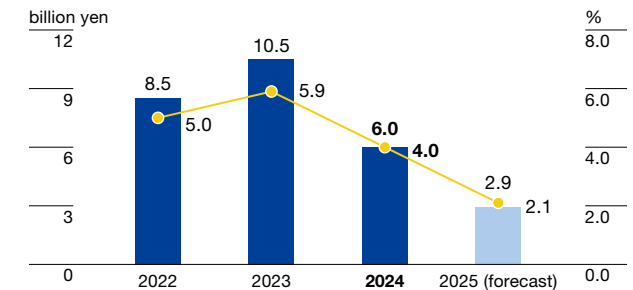


Business Strategy

Under the Marubun Nextage 2027 Medium-Term Business Plan (hereinafter “new Medium-Term Business Plan”), the Electronic Devices Business is positioned as a “Foundation Strengthening Business” with net sales of 167.0 billion yen and ordinary profit of 3.0 billion yen as targets for FY2027.

The New Medium-Term Business Plan sets forth five strategic guidelines. For the three policies of “Select and concentrate on growth areas,” “Provide support to expand, maintain, and restructure sales channels,” and “Develop new technologies and products/expand passive component sales,” we are intensifying sales expansion activities in the growth markets of industrial equipment, automotive applications, and consumer equipment. We are also working to strengthen our sales personnel and enhance demand creation. For the fourth policy of “Achieve group synergy,” we will deepen our focus in niche fields with high barriers to entry including medical healthcare and aerospace and defence, seeking to monetize areas where we can realize synergies.

► Operating Profit / Operating Profit Ratio



Finally, in the policy of “Expand sales channels in the mass market,” we will enhance our sales structure to reach a broader customer base through collaboration with sales partners. Through these initiatives, we aim to expand our market share in growth sectors.

In FY2025, we expect net sales of both semiconductors and electronic components to decline under prolonged inventory adjustments in the industrial equipment market and the transfer of commercial rights. In the area of semiconductors, we expect significant sales growth in custom ICs for consumer applications but project a decline in analog ICs for industrial equipment and PC and computer peripherals.

Business Strategy

- Select and concentrate on growth areas
- Provide support to expand, maintain, and restructure sales channels
- Develop new technologies and products/expand passive component sales
- Achieve group synergy
- Expand sales channels in the mass market

Plan Figures

Net sales: 167.0 billion yen Ordinary profit: 3.0 billion yen or higher

* From the first quarter of the fiscal year ending March 2026, we have made changes to our accounting policies. Figures for the fiscal year ended March 2025 (FY2024) have been retroactively adjusted.

Electronic Devices Business

Electronic Devices Business

Toward Sustainable Value Creation

At present, the semiconductor market is being driven by growth areas including AI, automation, mobility, DX, GX, and IoT, and is expected to reach a scale of one trillion dollars by 2030. At the same time, the market faces an era of unprecedented complexity and turbulence amid growing geopolitical risks, supplier reorganization, and the increasing treatment of technology as a strategic resource. Changes in market power balance are significant, as exemplified by U.S.-China tensions, further increasing supply chain uncertainty.

Under these business conditions, the Electronic Devices Business plans to further promote the expansion of new customers through the development of high-growth product offerings, including high-efficiency, high-durability power semiconductors. Particular areas of focus are growth sectors including the consumer equipment market that is an area of strength for us, the industrial equipment and automotive application markets, and strengthened proposal activities tailored to specific market characteristics. We are also positioning space and defence and medical healthcare markets in which we have long built up expertise as focus markets, further deepening collaboration with the Electronic Systems Business and Entrepreneur Business to generate synergies and pursue high profitability. Outside of semiconductors, too, we are listening to customers' issues in the areas of connectors, capacitors, and other passive components as we work to expand these

business domains. While working to expand sales of high value-added products such as FPGA (field programmable gate array ICs that can be reprogrammed) and electronic components, through the proposal of low-power consumption products we are contributing to carbon neutrality and are pioneering new emerging markets related to EVs and green technologies.

At the same time, for the purpose of risk diversification, we are strengthening our focus on commercial offerings from Asia in addition to Europe and North America. To ably address increasingly complex export regulations and establish a structure for reliably delivering products needed by customers, we aim to deepen collaboration with emerging Asian suppliers and create new business channels that capture the trend toward local production for local consumption of semiconductors. In the Indian market, where significant growth is expected, we signed a memorandum of understanding with L&T Semiconductor Technologies Limited in January 2025 and have begun demand research and support for the development of products aimed at the Japanese market. We are also promoting the optimization of inventory levels and prompt collection of accounts receivable while reducing working capital in order to strengthen our resilience to fluctuations in financial markets. By improving our cash position and pursuing low-cost operations, we aim to further enhance efficiency and productivity.

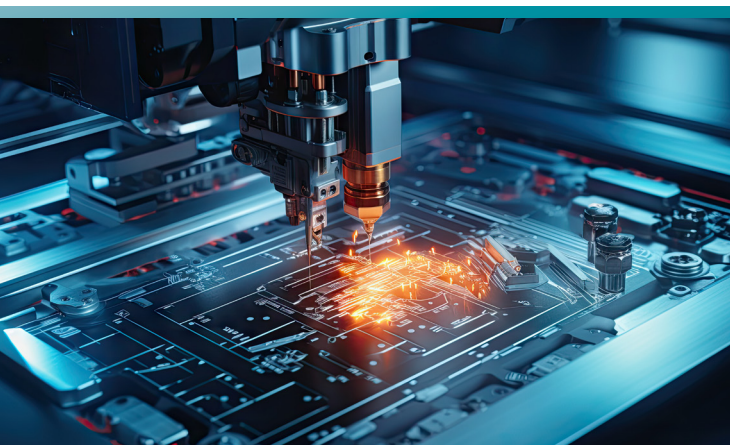
In 2024, we consolidated our Sales Division to accelerate decision-making and strengthen our organizational foundation. By promoting a flatter organizational

structure along with delegation of authority, we are creating an environment in which young employees can think and make decisions independently. In 2025, we established a Sales Promotion Office to further strengthen our demand creation capabilities. We are building a cross-functional proposal framework and are accelerating the development of new customers and the provision of solutions utilizing our product lineup. We are also utilizing the Sales Promotion Office as a training platform to enhance expertise and communication capabilities through systematic training as we systematically develop and assign young talent. Led by the Digital Marketing Promotion Office, we are also undertaking enhancement of our solution marketing.

We possess solid strengths in our customer base of over 3,000 companies, our broad supplier network and abundant product lineup, and our global network centered on our joint venture with Arrow Electronics, Inc. By fully leveraging these management foundations and engaging in proactive proposals that utilize our technologies and products in new domains, we will contribute to solving the issues and improving the competitiveness of our customers.

Electronic Systems Business

Sales and maintenance services for electronic equipment and systems



Strengths

- Exclusive dealer rights
- One-stop service spanning installation to maintenance

Opportunities and Risks

Opportunities

- Increased national defence awareness
- Growth in space development activity
- Increase in global support requests from customers

Risks

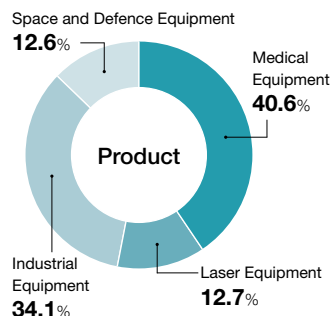
- Decline in domestic demand due to population decrease
- Large-scale reorganization of small and medium-sized manufacturers
- Geopolitical risks including U.S.-China trade friction (export restrictions, tariffs, etc.)
- Event risks including market conditions, finance, and natural disasters

Electronic Systems Business

Business Overview and Future Developments

In the Electronic Systems Business, the space and defence equipment and laser equipment fields account for approximately 10% of net sales while the industrial equipment and medical equipment fields account for 30–40%, a sales composition ratio has been maintained for several years. The medical equipment field in particular has grown steadily since FY2022, driven by the adoption of digital innovations in response to Japan's aging society and shortage of medical professionals. By expanding our areas of sales promotion, we aim to make further contributions to the medical industry. We also expect growth in the space and defence equipment field due to an increased awareness of national defence amid an unstable international situation and the emergence of new threats. Our Company will actively work to expand the Space and Defence Business.

Sales Composition Ratio and Overview by Product Category



Product	Overview	Main Applications / Product Examples
Medical Equipment	Equipment and components specifically designed for diagnosis and treatment in hospitals and clinics.	Imaging diagnostic equipment, radiation therapy equipment, clinical testing equipment
Laser Equipment	General-purpose components and standard laser equipment for use in wide-ranging fields, including laser light sources and optical modules.	Laser oscillators, laser processing equipment, light sources and optical components, optical modules
Industrial Equipment	Equipment and devices used in industrial fields, including factory automation (FA) and manufacturing processes.	Inspection equipment, manufacturing equipment, assembly equipment, embedded solutions
Space and Defence Equipment	Devices, components, and systems used specifically for aircraft and space development.	Aviation-related equipment, space-related equipment, high-frequency electronic equipment, measuring equipment, sensors

Close Up / Laser equipment that supports manufacturing

Our Company has handled laser equipment since 1964, supporting manufacturing via machine tools for welding, cutting, and other purposes. Our current focus is on achieving both improvements to our customers' productivity and contribution to global environmental protection. As one specific initiative, we are working to offer products that reduce electricity consumption. Laser diodes, with their high optical conversion efficiency, use less energy than conventional laser equipment. With every industrial sector facing the need to migrate to clean manufacturing processes, laser diode technology can help reduce our customers' environmental impacts while supporting efficient production activities. Through environment friendly solutions, we will continue contributing to the realization of a sustainable society.



Semiconductor laser oscillator

Electronic Systems Business

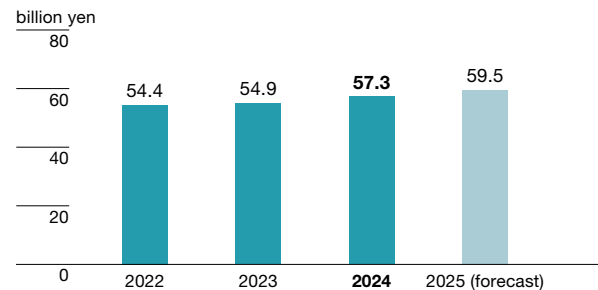


Hiroshi Imamura
Executive Director in charge
of the Electronic Systems
Business

Overview for FY2024

FY2024 net sales in the Electronic Systems Business increased by 4.4 % year on year to 57.3 billion yen. Although net sales in the industrial equipment field fell year-on-year due to constrained capital investment, net sales in the space and defence equipment field increased thanks to the expanding aerospace and defence market as well as recovery in demand for laser

Net Sales



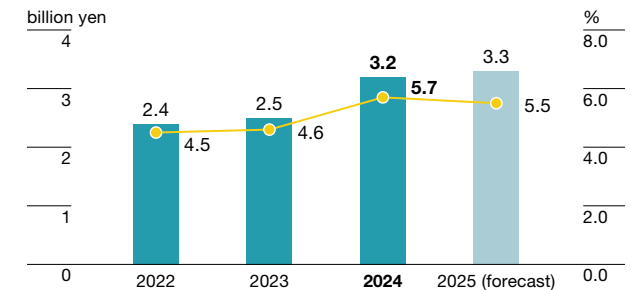
equipment. Operating profit* increased by 30.2 % year on year to 3.2 billion yen, driven by higher net sales.

Business Strategy

We position the Electronic Systems Business as a “Growth Driving Business.” We are strongly advancing the business strategies set out in the Marubun Nextage 2027 Medium-Term Business Plan (hereinafter “new Medium-Term Business Plan”) with the aim of achieving net sales of 67.0 billion yen and ordinary profit of 4.0 billion yen in FY2027.

In “Develop new businesses/develop new products,” we expect to face greater uncertainty in the business environment as well as increasingly diverse and complex customer needs. We will solidly capture new business opportunities through our spirit of “looking forward” and “staying ahead.” In “Expand existing business domains/scale,” we will work to enhance our presence in the industrial equipment, laser equipment, medical, and scientific instrument fields. In the medical equipment field, we will also reinforce ties with regional medical

Operating Profit / Operating Profit Ratio



institutions while we seek to uncover new needs and expand the market through our maintenance services. In “Incorporate businesses related to measures promoted by the national government,” against the backdrop of growth in Japan’s space and defence budget we will draw on the relationships of trust we have built over many years to pursue further business opportunities in the space and defence field. In “Strengthen group management/expand business foundations,” we will leverage the strengths that set the Group apart from other companies and will steadily carry out initiatives aimed at driving growth. Finally, in “Establish overseas operations,” we aim to promote further development of our

Business Strategy

- Develop new businesses/develop new products
- Expand existing business domains/scale
- Incorporate businesses related to measures promoted by the national government
- Strengthen group management/expand business foundations
- Establish overseas operations

Plan Figures

Net sales: 67.0 billion yen Ordinary profit: 4.0 billion yen or higher

* From the first quarter of the fiscal year ending March 2026, we have made changes to our accounting policies. Figures for the fiscal year ended March 2025 (FY2024) have been retroactively adjusted.

Electronic Systems Business

Electronic Systems Business

overseas business and establish local operations.

In FY2025, we expect greater demand for high-reliability components for satellite applications and defence-related products in space and defence equipment under a robust market environment. In laser equipment, we also foresee increased demand for laser processing equipment and related products. Conversely, in industrial equipment we project a decline from FY2024 due to an ongoing adjustment phase, and expect medical equipment to remain near the FY2024 level.

Toward Sustainable Value Creation

In the Electronic Systems Business, we have leveraged our accumulated expertise and knowledge to develop products and provide services that anticipate the ever-changing needs of customers, based on the four core areas of space and defence, industrial, laser/optical, and medical. What supports this growth is the Company's founding spirit of "looking forward" and "staying ahead." Grounded in this spirit, we will continue to work toward sustainable growth in existing fields while strengthening our revenue base through the exploration of new products and business domains.

The key to making this a reality lies in the shift from selling goods to selling services. We believe it is important that we not only sell products but also contribute to solving customers' problems and creating new value. In 2024, we reorganized our sales division into a structure of two divisions, one focused on selling goods and the

other on selling services. Divisions responsible for selling services actively engage in value-added sales activities, including solutions proposals that combine multiple modules and joint sales in collaboration with customers' products and systems. The division responsible for selling goods is also shifting to a consulting-based sales approach that goes beyond product proposals to contribute to solving customers' challenges.

The Electronic Systems Business is implementing a portfolio strategy structured around four quadrants based on existing and new products and existing and new customers. This approach allows us to generate diverse opportunities for proposals that accurately target our customers' needs, offering new products and services to existing customers and providing a wide variety of products and solutions to new customers. During the period of the previous Medium-Term Business Plan, we established working groups for the four quadrants, taking a bottom-up approach that entrusts employees with autonomy to seek out future growth opportunities. These activities not only foster the creation of new businesses but also aid in revitalizing our corporate culture, forming a foundation for the new Medium-Term Business Plan.

We are also working to strengthen collaboration within the Group. The Electronic Systems Business consists of Marubun itself and three group companies: MARUBUN TSUSYO, MARUBUN WEST, and FORESIGHT TECHNO. By leveraging the individual companies' regional characteristics and technological strengths, we are able to

deliver optimal proposals to customers. We intend to further strengthen collaboration, including exchanges of personnel, and to continue providing high-quality products and services to an even wider range of customers.

The most important factor in advancing these initiatives is people. The Electronic Systems Business requires high-level expertise, yet also demands that we remain mindful of the risk of overly narrow focus and ensure that every employee is constantly attuned to external changes. I personally value feedback from those in the field and a stance of encouraging employees to "just give it a try." I want to foster an organizational culture that welcomes challenges and create an environment in which people from diverse backgrounds can thrive.

Building trust with customers and expanding business from a long-term perspective are vital in the Electronic Systems Business. By always offering products and services with value that customers recognize, we aim to achieve steady profit growth. We will also focus on improving employees' expertise and proposal capabilities so we can serve as a valuable information intermediary for our customers.

Our goal is to become a trusted partner that encourages customers to turn to Marubun first for advice. Toward that end, under our spirit of "looking forward" and "staying ahead," we will continue providing unique products and services tailored to customers as we steadily work toward realizing our vision: "Be the unrivaled and most trusted electronics trading company with unique and original values."

Entrepreneur Business

Development, sales, and maintenance services for cutting-edge solutions



Strengths

- Capabilities for discovery and co-creation of electronics venture businesses
- Creation of new added value and ability to make proposals

Opportunities and Risks

Opportunities

- Rising demand for medical infrastructure development due to aging population and shortage of doctors
- Increasing demand for next-generation solutions due to labor shortages
- Growth potential through early participation

Risks

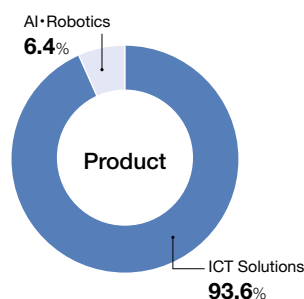
- Changes in economic conditions and technology trends
- Uncertainty and longer lead time to profitability

Entrepreneur Business

Business Overview and Future Developments

ICT solutions account for around 90% of sales in the Entrepreneur Business, providing a stable foundation for driving new business development. Leveraging this ICT foundation and our development expertise, we will focus particularly on AI•Robotics to address the societal challenge of labor shortages stemming from a declining and aging population. By providing advanced AI-based analytic systems and robotics-based automation solutions, we will accelerate the creation of new value that contributes to future society.

Sales Composition Ratio and Overview by Product Category



Product	Overview	Main Applications / Product Examples
ICT Solutions	Wide-ranging solutions that utilize information and communication technology (ICT) to help companies solve problems and improve efficiency.	• Achievement of highly precise time synchronization in financial transactions and communication systems, etc. • Streamlining of remote monitoring and data collection for factories and social infrastructure • Building of robust security to protect information assets from cyberattacks
AI•Robotics	A range of products and services that combine AI technology and robotics to address specific social challenges and customer needs.	• Automated solutions (AI robots) to compensate for labor shortages • Digital healthcare products to support advanced medical care

Close Up

A new approach to solving social issues born from “co-creation” with startups

The mission of the Entrepreneur Business is to discover outstanding venture technologies from Japan and abroad and to connect them to resolving social issues in Japan. One example is our partnership with Taiwan-based NUWA Robotics to bring the Kebbi Air AI communication robot to the Japanese market. We are looking closely at the nursing and medical markets, where labor shortages are especially severe. By having Kebbi Air handle reception, entry/exit management, and user monitoring duties in facilities, we are helping to reduce burdens on staff and create an environment in which staff can concentrate on high-quality care.

This initiative has also been adopted at the Osaka/Kansai Expo. There, Kebbi Air serves as a guide at the Maneki Foods “future-oriented challenge shop,” presenting a prosperous future in which people and robots work together. We will continue to extend outstanding technologies beyond specific markets and into broader society, taking on the challenge of realizing a better future.



Kebbi Air

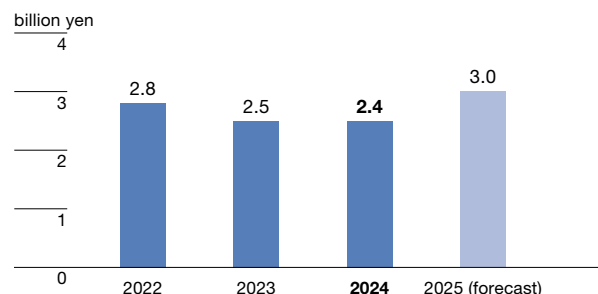
**Satoshi Fujino**

Executive Managing Director
and Chief Innovation Officer
(CINO) in charge of the
Entrepreneur Business

Overview for FY2024

In FY2024, net sales in the Entrepreneur Business (formerly Electronic Solutions Business) decreased by 1.9 % year on year to 2.4 billion yen due to a decline in demand for network simulation tools in the ICT solutions field. Operating loss* was 0.18 billion yen due to increased personnel expenses accompanying the strengthening of sales systems for new products (compared to an

► Net Sales



operating loss of 0.02 billion yen in the previous fiscal year).

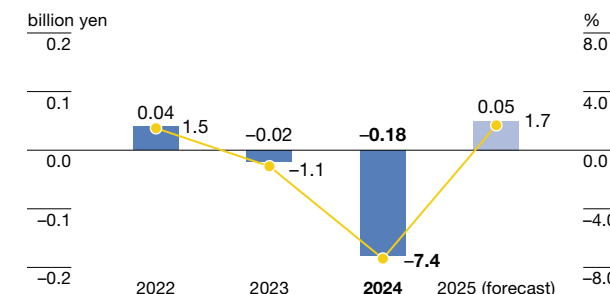
Business Strategy

We position the Entrepreneur Business as a “Value Creation Business.” In the final year (FY2027) of the Marubun Nextage 2027 Medium-Term Business Plan (hereinafter “Medium-Term Business Plan”), we aim to achieve net sales of 6.0 billion yen and ordinary profit of 1.0 billion yen.

With a primary focus on accelerating the development of cutting-edge technologies and solutions and achieving new business creation worldwide, we changed the segment name from Electronic Solutions Business to Entrepreneur Business in April 2025. We have been working to discover new products that utilize robotics and next-generation communication and AI technologies while also providing our own unique services to customers, thereby addressing social issues. Under the new Medium-Term Business Plan, we will continue these initiatives through the business strategies outlined

Entrepreneur Business

► Operating Profit / Operating Profit Ratio



above, as we aim to further expand AI robotics and digital healthcare product sales, enhance our proprietary cloud services, and pursue business growth. Through venture fund investments carried out under the previous Marubun Nextage 2024 Medium-Term Business Plan to demonstrate entrepreneurship, we will acquire cutting-edge technological information, discover innovative advanced products and venture companies, and explore possibilities for new product development and business collaborations.

In FY2025, we expect an increase in communications-related products in the ICT solutions field. In the AI•Robotics field, we anticipate increased sales of the general-purpose diagnostic ultrasound devices that

Business Strategy

- Develop new businesses
- Demonstrate the uniqueness in value provided
- Develop and expand AI-related products
- Pursue strategic collaboration opportunities

Plan Figures

Net sales: 6.0 billion yen Ordinary profit: 1.0 billion yen or higher

* From the first quarter of the fiscal year ending March 2026, we have made changes to our accounting policies. Figures for the fiscal year ended March 2025 (FY2024) have been retroactively adjusted.

Entrepreneur Business

we began handling last year, as well as the AI-powered communication robots that we have been handling.

Toward Sustainable Value Creation

The Entrepreneur Business is tackling solutions to challenges faced by society and customers through two companies: IRIS Company, which provides ICT solutions centered on communications technologies, and DIONE Company, which discovers advanced overseas technologies in areas such as AI and robotics with the aim of societal implementation.

IRIS Company's basic policies are "Acquisition of new products in traditional business models (import and sales of ICT-related products)" and "Acceleration of initiatives aimed at our new mission (service-oriented business models)." Based on extensive expertise and experience in the ICT field, we are accelerating a shift in focus from selling things to providing services as our main source of revenue, strategically investing profit from existing businesses into new business domains. As a part of these efforts, in FY2023 we launched proprietary cloud services including our Information Systems Monitoring Service and Online Maintenance Service. However, we also face challenges such as slower growth due to stagnant investment in domestic 5G-related sectors and changes in business flows accompanying M&A activities among our suppliers. The monetization of newly launched services is currently in progress. We are also building a structure to efficiently capture orders, as seen

in our active use of business process outsourcing (BPO) to streamline sales and marketing.

The DIONE Company operates on core policies of "Maximization of returns through asset-light business that includes leasing and recurring revenue," "Realization of diverse revenue models including subscription and licensing businesses," and "Securing of competitive advantage through win-win partnerships with customers and partners." Through alliances with overseas startup companies that possess unique technologies, the company is bringing new technologies to Japan. In particular, it targets sectors with a high-level social contribution component. These include the environmental field that seeks resource conservation, and the fields of medical care, nursing care, and security, which face labor shortages due to a declining birthrate and aging population. Leveraging our accumulated knowledge, we prepare overseas products for the Japanese market through customization and other means. In September 2024, we launched sales of general-purpose diagnostic ultrasound devices from Canada-based Clarius Mobile Health Corp. The affordability and high image quality of the devices have won significant praise in the market and a tremendous response. However, collaboration with startups inherently involves unique difficulties such as delays in product development or shifts in strategy due to changes in executive leadership. The road to commercialization is not without challenges. While many investment projects require time to achieve profitability, we will continue to actively make strategic investments

while strengthening project monitoring by our in-house Investment and Loan Subcommittee and thoroughly managing risks. We have divided Japan into sales six regions in which we are working with partners to establish a sales platform. Through these activities, we are building up know-how. As we grow the scale of our business in terms of our products handled and target markets, we believe that our sales platform will enable us to also rapidly launch new businesses.

Although the Entrepreneur Business is struggling with performance hardships amid the growing pains of new business launches, we will steadily work toward monetization in IRIS Company and new business launches in DIONE Company in robotics, medical, wireless power supply, PFAS (per- and polyfluoroalkyl substances)-free battery technology, and other technologies that help solve social issues. We will also continue cultivating future opportunities through channels such as venture funds and the network of the Marubun Research Promotion Foundation as we further strengthen collaboration with Group companies. We will do our utmost to make the Entrepreneur Business a core pillar that contributes significantly to Group earnings by FY2027, the final year of the new Medium-Term Business Plan.

Entrepreneur Business

Human Capital Strategy

Marubun's "Talent"

Our strengths lie in the enduring spirit of “looking forward” and “staying ahead”—the mindset of always anticipating the future and responding to the next needs—which has been cultivated since our founding and drives our ongoing pursuit of creating new value for the future. We have always acted in consideration of whether our actions are “for our customers,” and thanks to this, we have earned the trust of many of our customers. At times it is prompt response, at other times specialized knowledge—whatever is required at each moment, we will continue to develop the ability to respond to the maximum extent.

Message from the Chairperson of the Human Capital Committee



Hiroshi Horikoshi

Chairperson, Human Capital Committee

The Marubun Group aims to become the unrivaled and most trusted electronics trading company that offers unique value, based on the pursuit of “Contribute to a brighter future through technologies.” As the environment surrounding our business undergoes major changes and the transformation of business models as such becomes necessary, the source of continuous company growth is none other than each employee’s abilities and the driving force that accompanies them.

Against this background, in order to further strengthen human capital as a core management strategy, we established the “Human Capital Committee” in FY2024. This Committee has set forth our vision for what we aim to be in 10 years: “a group of professionals with the highest level of expertise (skills, experience, and innovativeness) recognized by ourselves and others,” making this the guiding principle for all initiatives.

With the realization of this vision in mind, we have built upon the achievements of the “Work style reform” we have promoted thus far, as well as the more advanced “Job satisfaction reform,” and are advancing new discussions. In the previous Medium-Term Business Plan, we developed the foundation to support employee-driven challenges by implementing the “in-house multiple jobs program,” introducing the “optional three-days-off workweek program,” and pursuing continuous base salary increases.

Currently, the Committee is considering measures to further raise engagement to an even higher level, building on these foundations. For example, I believe that, based on the cultivation of “psychological safety” promoted by the HR division company-wide, the company should consider how to respond to employees’ processes and outcomes when they take on challenges—in other words, how we “respond” to their efforts and results.

Furthermore, this “response” must, of course, be equal for all employees. As a concrete recent initiative embodying this philosophy, we abolished the “General Employee” category as of the end of FY2024, and from FY2025, unified our system so that everyone can pursue their careers on the same footing as “Comprehensive Employees.” It is our unwavering basic policy to provide opportunities tailored to individual aptitudes and to maximize each individual’s abilities. Going forward, we will continue to support diverse career aspirations and accelerate the development of an environment where employees can pursue leadership roles if they wish.

As Chairman, I will continue to deepen the discussions in the Human Capital Committee, and will openly share the progress and outcomes, including through town hall meetings starting in FY2024, to ensure transparency for employees. The contributions and growth of each and every employee will lead to company growth and the realization of our Purpose. We are fully committed to driving transformation of our personnel systems to produce such a virtuous cycle.



Scenes from the Marubun Town Hall Meeting



Human Capital Strategy

Talent Development That Supports Autonomous Growth

Basic approach: Fostering a career ownership mindset

As the environment surrounding our business undergoes major changes and the transformation of business models as such becomes necessary, the source of sustainable growth for a company is none other than each employee's abilities and the driving force that accompanies them. Our approach to talent development is to maximize employee abilities and foster "professional talent who can perform job responsibilities essential to achieving management goals."

To accomplish this, our priority is practical, on-the-job training (OJT), which enables us to promptly address issues arising daily at each workplace. To make OJT more effective, we have established a structured framework in which the employee develops a career plan (autonomy), the supervisor provides daily feedback (guidance), and the company supports their growth through systems (infrastructure), with all three parties working together.

With such support from the company, employees can independently consider their careers, make efforts, and work toward growth—this, in turn, leads to organizational growth and results, and ultimately becomes a powerful driving force for improving company performance.

Educational policy

- 1 We will strengthen and promote connections between training programs and job responsibility standards set according to employees' positions.
- 2 In position-specific training, we will promote cultivation and revitalization of the organizational climate through training curricula that incorporate the knowledge, skills, and business mindset required to meet job responsibility standards for specific positions.
- 3 With the objective of leveraging the effects of training in on-site practical work, we will strive to deeply instill the knowledge, skills, and business mindset learned in training by putting these into practice in work.
- 4 We will support career autonomy and independence through proactive learning grounded in a career ownership mindset.
- 5 To enhance the Group's consolidated management structure, we will support skill development for the employees of Group companies.

Programs that support diverse growth

To put the concept of career ownership into practice, we systematically link the following programs and systems to support employees' autonomous growth from multiple perspectives.

Practical training at the workplace (OJT)



We focus on practical experience at the workplace to develop the skills required at each level.

Systematic training (Off-JT)



We provide training opportunities to acquire systematic knowledge and business skills.

Self-directed learning (e-learning, etc.)



We support employees in proactively learning and improving their skills regardless of time or location.

Support for obtaining qualifications



We have established recognition and incentive programs, such as awards for qualification acquisition and allowances for qualification contributions, to promote self-improvement and contributions to the company.

Investment results in human capital (FY2024)

Rate of participation in training

69%

From FY2022

44.0 pt increase



Hours of participation per person

19 hours

From FY2022

11 hours increase



Human Capital Strategy

Systematic development of next-generation leaders

Recognizing the securing and development of future management leaders as a critical management issue, we are building a system for the continuous development of leaders through both “mid-career recruitment from outside” and “internal development of young employees.”

We will step up hiring of experienced professionals who can make an immediate contribution in age groups and job categories where we currently lack resources. At the same time, as future leaders who will drive our company, we will further enhance training and education programs for young employees and continue to develop them systematically.

— Dialogue and support for career formation

To provide employees with opportunities to consider their medium- to long-term careers, we support career formation not only through discussions between supervisors and subordinates but also through “1-on-1 meetings” in vertical, horizontal, and diagonal relationships, including seniors from other divisions and members of the HR division who are well-versed in careers. Going forward, we will also consider introducing “career education” from a variety of perspectives to further foster an ownership mindset for employees concerning their careers.

— Opportunities to encourage new experiences and challenges

The “in-house multiple jobs program,” which allows employees to gain new skills and experiences beyond division boundaries, provides new opportunities for employees to take on challenges. For employees aiming to acquire advanced expertise, we provide incentives and allowances through the “certification incentive program,” thereby fostering a culture that concretely supports and recognizes such motivation and challenges.

Options for challenge strengthen people and organizations.

— Talking about the in-house multiple jobs program —

The in-house multiple jobs program, introduced on a trial basis in FY2024. We interviewed three members of the HR division who led the program design.



(From left): Kazuaki Shimokobe, Shohei Kamitaki, Takao Ishii

Shimokobe: First, let me explain the aim behind introducing this program. The original intention was the company’s desire to proactively support each employee’s self-driven and autonomous career development. Normally, transfers are typically company-driven, but we felt it was important to offer specific options for employees to gain experience in other division on their own initiative.

Kamitaki: At first, there were concerns about whether the bar might be too high or if there would be applicants, but many of the employees who participated expressed that they were glad they took on the challenge. We’ve received very positive feedback and feel it’s been a great success. In particular, it was a major discovery to see employees take on challenges with a strategic mindset, seeking to bring their experiences from the multiple jobs program back to their main duties.

Ishii: That is precisely where the potential of this program lies. Not only does it strengthen “horizontal connections across divisions,” but it also gives employees an opportunity to view the company as a whole. Having more employees with in-house multiple jobs experiences will surely revitalize the organization as a whole.

Shimokobe: Exactly right. This program is for any employee who wants to create change or break through their current shell. This year as well, we are further updating and implementing the program. For those taking on challenges with a mindset, seeking to expand their horizons, we strongly encourage them to give it a try.

Human Capital Strategy

Promotion of Diversity

We have identified material issues for sustainable corporate value enhancement and positioned initiatives to address these challenges at the core of our management strategy. In the realm of human capital, we particularly see “ensuring diversity” and “developing next-generation leaders” as vital foundations for supporting our company’s sustainable growth.

Diversity Policy

We respect human rights, character, and diversity, and engage in no discrimination

- We will not discriminate in employment and will strive for equality in opportunities
- We will respect the diversity, character, and individuality of employees, and will eliminate discrimination and harassment
- We will construct a personnel treatment structure that lets diverse human resources fully demonstrate their individual capabilities

Initiatives and targets for promoting women’s empowerment

Under the above policy, we are currently focusing on promoting women’s empowerment as a priority theme. Through creating an environment where employees can build careers regardless of life stage, and through training for management candidates, we aim to achieve our KGI (long-term status goal) of a “female manager ratio of 15 % or higher” (Medium-Term Business Plan target: 10 % by FY2027).

As a reference for career formation, we held a lecture by a female independent director entitled “Facing Your Career—How to Live in the Present.” Based on her own experiences, she emphasized that proactively thinking, proposing, and acting is key to advancement, providing employees with a valuable opportunity to consider their own careers.



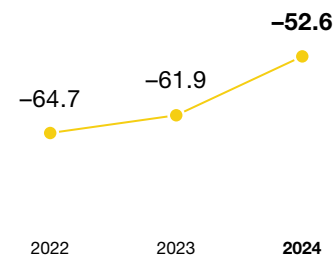
Initiatives for Engagement Improvement

To maximize employees’ abilities, not only systems that support challenges as well as opportunities for human resource development, but also passion for the work itself—in other words, engagement—is essential. We view employee engagement as “job satisfaction,” and consider its improvement a key management issue.

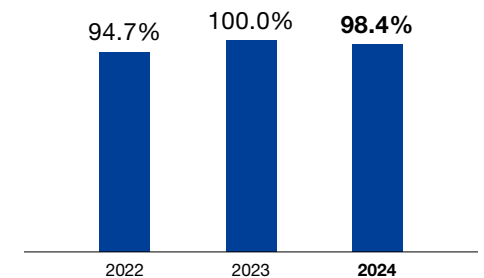
Summary for employee engagement in Marubun Nextage 2024, the previous Medium-Term Business Plan

Since FY2022, the initial year of our previous Medium-Term Business Plan, we have been conducting an engagement survey every year. In the final year survey, the engagement score improved by 12.1 points from the initial year, and improvements were also seen in previously identified challenge categories such as “Growth & Career Opportunities” and “Roles and Resources (personnel, tools, job discretion, etc.).” In addition, our new graduate retention rate has remained high, which demonstrates the steady results of our reforms to date. On the other hand, the survey also revealed issues such as “lack of role models (an environment in which it is difficult to imagine one’s own growth).” Based on these results, we will continue to strengthen our current initiatives.

Engagement Score (eNPS) Trends



New Graduate Three-Year Retention Rate



Human Capital Strategy

A Work Environment That Supports Employee

Growth & Challenges

We believe that a workplace environment in which each employee can be healthy in both mind and body, and demonstrate their abilities to the fullest with peace of mind, is the foundation for human resource development, engagement, and the sustained growth of the company. By ensuring psychological safety and respecting flexible, diverse working styles, we strive to create an environment where employees take on challenges without fear of failure and can actively collaborate.

— A workplace environment where a conflict of constructive opinions can occur (cultivating psychological safety)

One of our most important initiatives is cultivating psychological safety. We define this as “a state where members can be themselves without feeling negative pressure,” and “a state where a conflict of constructive opinions is encouraged through mutually elevating relationships.” We aim for a workplace where supervisors, colleagues, and subordinates, rather than simply speaking their minds, engage in constructive discussions based on the common Purpose (raison d'être) of the company, working together toward achieving it. We offer a “Psychological Safety Skill Training” curriculum, which is attended by many employees, including management.



— Promotion of flexible and diverse working styles

To balance individual productivity and well-being, we promote flexible working styles.

For location flexibility, we have institutionalized hybrid work (with a maximum of eight telework days per month) to optimize both individual work comfort and organizational collaboration.

For time flexibility, we have introduced an “Optional Three-Days-Off Workweek Program” that allows employees to choose three holidays per week depending on their individual circumstances, supporting diverse life plans and time for self-development.

Examples of environments that support diverse working styles

— Introduction of business casual attire (“Work Style Reform”)

The introduction of business casual attire, branded as “Work Style Reform,” aims to eliminate stiffness and create a more relaxed atmosphere where employees can express their individuality and personality. We adhere to our CPO (Customer/Place/Occasion) policy and operate under our own unique guidelines, with the fundamental principle that attire should not diminish the dignity of Marubun employees.

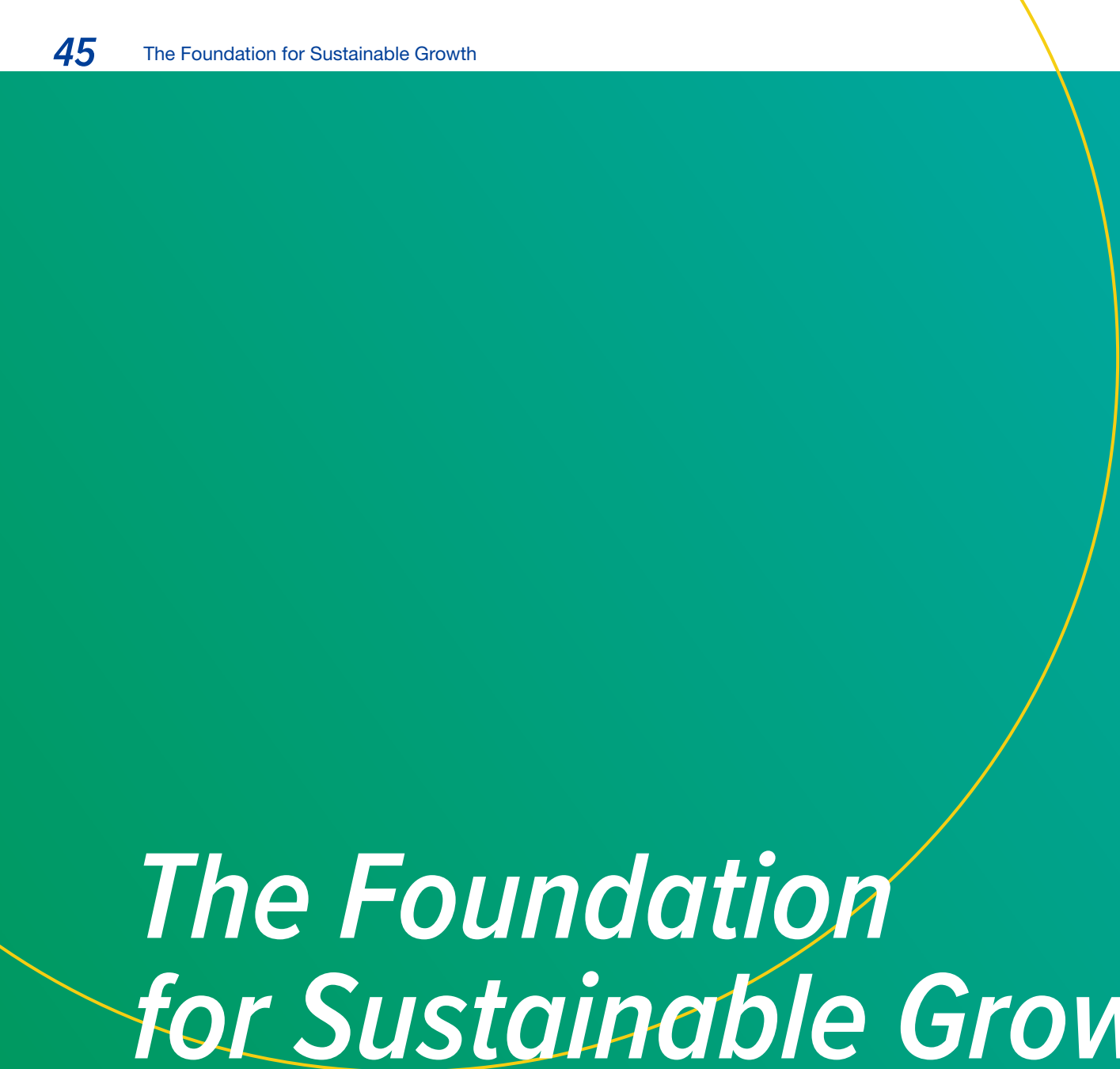
— Promotion of collaboration and new communication through hot-desking

As one option to promote cross-departmental collaboration, we are implementing the hot-desking system in parts of our headquarters and branches. The café lounge floor has also been renewed and is used for short breaks, meetings, and as a place for spontaneous communication. While examining the new communication effects of such initiatives, we will continue to support the building of a workplace environment where various working styles can be autonomously selected.



— Support for balancing life events and careers regardless of gender

We strive to enhance support systems so that all employees, regardless of gender, can continue their careers as their life stages change. In particular, we are promoting the acquisition of childcare leave to foster a corporate culture where male employees can actively participate in child-rearing. (Childcare leave acquisition rate for male employees in FY2024: 47.1%)



The Foundation for Sustainable Growth

List of Officers



Executive Directors

Hiroshi Horikoshi (born May 30, 1979)

[Front row, second from right](#)

President and Representative Director,
Chief Executive Officer (CEO),
Chief Operating Officer (COO)

Number of shares of the Company held: 373,338

Satoshi Fujino (born January 22, 1964)

[Front row, second from left](#)

Executive Managing Director,
Chief Innovation Officer (CINO)

Number of shares of the Company held: 13,323

Takehiko Akiyama (born August 28, 1973)

[Back row, left](#)

Executive Director

Number of shares of the Company held: 6,000

Hiroshi Imamura (born April 17, 1965)

[Back row, second from left](#)

Executive Director

Number of shares of the Company held: 10,156

Yuzo Nakada (born October 17, 1968)

[Back row, center](#)

Executive Director,
Chief Financial Officer (CFO),
Chief Strategy Officer (CSO)

Number of shares of the Company held: 11,456

Independent Directors

Koji Kakinuma (born March 3, 1957)

[Front row, right](#)

Independent Director (Audit and Supervisory
Committee member)

[Concurrent position](#)

Representative, Koji Kakinuma CPA Office
Member, Registration Screening Committee,
The Japanese Institute of Certified Public
Accountants

Chair, Management Supervision Committee,
Japan Atomic Energy Agency

Eiko Kisogawa (born March 21, 1962)

[Back row, second from right](#)

Independent Director (Audit and Supervisory Committee
member)

[Concurrent position](#)

Outside Director, ISEKI & CO., LTD.
Vice President, Gold Ribbon Network

Yoshisaburo Mogi (born September 26, 1950)

[Front row, left](#)

Independent Director (Audit and Supervisory Committee
member)

Katsuma Yagi (born November 16, 1956)

[Back row, right](#)

Independent Director (Audit and Supervisory Committee
member)

Independent Directors' Round Table

Independent Directors Speak Out

Marubun's Current Position and Expectations for the Future

To achieve sustainable growth and enhance corporate value for the Group, three independent directors shared their expertise and external perspectives to discuss results and issues under the previous Marubun Nextage 2024 Medium-Term Business Plan, expectations for the new Marubun Nextage 2027 Medium-Term Business Plan, and transformations that the Company should undertake.



Yoshisaburo Mogi (center)

Independent Director and Audit and Supervisory Committee Member

Koji Kakinuma (right)

Independent Director and Audit and Supervisory Committee Member

Eiko Kisogawa (left)

Independent Director and Audit and Supervisory Committee Member

Results and Issues under the Previous Medium-Term Business Plan

Mogi All of the quantitative targets of the previous Medium-Term Business Plan were met. While this is an excellent achievement, we must not forget that external factors also influence the attainment of quantitative goals. Depending on trends and market conditions, corporate efforts may not be sufficiently rewarded, or unexpectedly strong results may occur. While I don't believe

that strong tailwinds from the external environment played a particularly large role in achieving targets this time, we have to always keep such background factors in mind when we evaluate numbers. It's important that we go beyond being satisfied with the fact of achievement and thoroughly analyze the substance behind it.

Kakinuma The Entrepreneur Business, which will drive future growth, holds significant potential for revenue generation. Under the new Medium-Term Business Plan, we hope to quickly establish a profitable structure in new

Independent Directors' Round Table

business domains to make the business a new growth driver for the Company. I understand that the success rate of new businesses is inherently low. In addition to improving the success rate for the current number of projects, from here on out we need to either increase the number of projects or strategically select larger-scale projects. Setting clear targets is essential in these new business strategies. I think that our strategic approaches should include not only straightforward investment but also active consideration of M&A. In today's business environment, the success of new businesses can be seen as critical to a company's survival. In particular, given the potential for existing business models to change dramatically, it's important to make strategic investment decisions while appropriately assessing the balance between risk and return. In addition to our solid management style to date, I believe we also have to cultivate a corporate culture in which appropriate risk-taking is encouraged.

Kisogawa Among the results of the previous Medium-Term Business Plan, I want to note a number of steady management initiatives. These included breaking down the components of PBR and setting concrete strategies to address the decline of PBR below 1, as well as further identifying the Company's material issues with the involvement of independent directors. I view these initiatives as important from the perspective of fulfilling our accountability to investors.

At the same time, I see an issue in the thoroughness to which the Company is pursuing analysis and countermeasures aimed at unmet goals. Effectively operating

the PDCA cycle even during periods of strong business performance requires thoroughly analyzing potential negative factors and strengthening capabilities for taking preventive action in advance.

A year has passed since I assumed my role as an independent director. In interactions with various people, I get the feeling that employees solidly take up the Company's founding principles and put them into practice. I can sense a deeply rooted culture of seriousness, though I feel that the Company could benefit from a bit more playfulness and spirit of challenge.

Challenges in Achieving the New Medium-Term Business Plan

Kisogawa I believe that achievement of the new Medium-Term Business Plan faces three major challenges. The first is the need to develop advanced technologies in order to continue to offer products to customers from a forward-looking position. Here I believe that building an effective information-gathering network will be crucial. Amid the increasingly rapid pace of technological innovation, this information-gathering capability will serve as a source of competitiveness for Marubun as a trading company.

The second challenge is building even stronger relationships of trust with business partners. I believe that these relationships have been good, but trust among companies is critical in B-to-B. The Company needs to strengthen and expand its networking even further.

Elevating business partner management to the Group level and comprehensively managing relationships with partners should generate new business opportunities.

The third challenge is the need for a medium- to long-term human resource strategy. To attract talented personnel, the Company must improve the satisfaction of its current employees. As a lot of students decide to join the Company after seeing senior employees at work, it's important to not only improve employee engagement but also develop and appropriately assign talented personnel. I expect the Company to engage in planning that takes into account the development of human resources who can work globally.

Mogi The Electronic Devices Business, which accounts for the majority of sales, faces the difficult survival challenge of exerting trading company functions amid ongoing two-way consolidations among suppliers and



Independent Directors' Round Table

customers. Under this environment, new investments play a crucial role in the new Medium-Term Business Plan. The Company should avoid narrowly equating new businesses to the Entrepreneur Business. Instead, it should consider new businesses broadly to include ventures into new products and areas that lie within existing business domains. I believe that many opportunities for new challenges exist in both the Electronic Devices Business and Electronic Systems Business.

Investing in the people who will execute these diverse strategies may be the most important theme of the new Medium-Term Business Plan. Trading companies do not have an advantage in manufacturing, nor do they possess large numbers of patents. For the Company to exert its strengths in such an environment, human resources are the greatest management resource and the wellspring of corporate value. Making clear investments in human

resources will likely boost employee motivation as well. Numbers, in the end, simply reflect the results of such initiatives. Numbers naturally should be achieved when set as goals, but I believe that the foundation supporting them is what truly matters. In particular, development of human resources and strengthening of organizational capabilities from a long-term perspective may not show up in short-term figures, but these things are essential elements in sustainable corporate growth.

Kakinuma Regarding the new Medium-Term Business Plan, I greatly appreciate its inclusion of more non-financial elements than before. I think it would be ideal to further enhance the disclosure of such non-financial information. This requires a certain amount of preparation, though, so will likely proceed step by step. Financial and non-financial aspects should ideally take a form that can be discussed in integrated fashion within the context of the Medium-Term Business Plan, without being treated as separate elements. I feel that the awareness of this “connection” is still somewhat lacking at present.

An important non-financial element of the Company is its history of over 180 years. The fact that the business has continued for so long is proof that it has dynamically managed the seemingly contradictory elements of innovation and stability. Analyzing the current situation objectively, I believe that the time has come to place greater emphasis on innovation than on stability. The question is how to make this shift in employees' mindsets. Accelerating the creation of an environment in which diverse human resources can thrive is essential in nurturing innovation. As an example, rather than

conducting language education uniformly for all employees, it may be more effective to identify, select, and nurture those who demonstrate an aptitude. Regarding the promotion of Women's Empowerment, although basic policies are in place, I feel that issues exist in the speed of implementation.

Kisogawa I completely agree. It's increasingly common practice for organizations to set numerical targets when supporting the promotion of female employees. In the Company, too, the need for Women's Empowerment and the importance of increasing the ratio of women in management are becoming understood, but I think that specific measures are still at the exploratory stage. Last year, at the request of the Company, I had an opportunity to take part as a female independent director in training for female employees. Direct dialogue showed clearly that the female employees are very forward-looking and capable, and that their attitudes have changed significantly from the commonly held notion of not wanting to become managers. I would like to see female employees take on even more challenges. Male managers should abandon preconceived ideas such as childcare making work duties impossible, and should adopt a stance of developing female talent by assigning them important jobs. It is widely known that female managers in many companies successfully handle project leadership and other key responsibilities while raising children. I want the Company, too, to build a process for systematically training female managerial candidates and to more quickly make use of talented female employees' abilities in management.



Independent Directors' Round Table

Strengthening Corporate Governance

Mogi The annual Board of Directors Effectiveness Evaluation issued the finding that “effectiveness is being ensured.” I myself feel that an appropriate governance structure has been established, and I appreciate that an environment has been created in which inappropriate events are unlikely to occur.

I think a strength of the Company's Board of Directors is the ability of independent directors to freely ask questions and express their opinions. In this aspect, I believe that the Board of Directors is functioning soundly. The former voluntary personnel advisory council was renamed the Nomination and Compensation Committee and was given added functions, which I think is a step forward in ensuring effectiveness.

With regard to the strengthening of corporate governance, while the Company faces a number of requests from the Tokyo Stock Exchange and other parties to improve ROE and address its PBR of less than 1, I feel it's important to understand what underlies these and to pursue strengthened corporate governance in a form that fits the Company.

Kakinuma The Company is sincerely committed to strengthening its corporate governance. While ample room for improvement remains, the Company is one that instills an interest in watching over its process of improvement. However, the social environment is changing at an extremely rapid pace, and the Company's circumstances shift dramatically every day. Financial institutions such as banks undergo inspections by the

Financial Services Agency and thus are acutely aware of such changes, but general companies tend to lack the same sense of urgency. The Company needs to accurately understand how it is affected by alterations to listing maintenance standards, strengthened regulations regarding corporate governance, and accompanying changes in accounting standards. Management needs to be sensitive to these changes and must be capable of responding appropriately. For example, rather than viewing improprieties at other companies as the problems of those companies or other industries, the Company should use such events as opportunities to review its own governance structure. As an independent director, I will continue putting forth recommendations to increase this awareness among top management.

From my professional perspective, there is room for improvement in risk management by subsidiaries. Responding to risks after they materialize is often too late, so taking preemptive measures is critical. The scale and organizational structure of the Company may serve to mitigate risks in some aspects. At the same time, if the pursuit of Group synergies, a key theme under the new Medium-Term Business Plan, enhances the mobility of personnel among businesses and among Group companies, past practices and rules may no longer suffice in managing risks. For that reason, I believe the Company should approach risk management and the pursuit of synergies in an integrated manner, balancing these while moving forward.

Kisogawa I appreciate that the Company's corporate governance structure is meticulously managed and



functions sufficiently. However, as Mr. Kakinuma noted, the Company would ideally further heighten its sensitivity to the impacts of any scandals or improprieties. I hope to see more effective functioning of initiatives such as proactive learning from cases at other companies and prompt review of the Company's own internal controls. Fortunately, such incidents have not occurred at the Company, but it is important to always maintain a strong crisis awareness.

Expectations for the New President

Kisogawa The new president, Mr. Horikoshi, is a young executive who comes from the Company's founding family. While the market may have preconceived notions

Independent Directors' Round Table

about management by members of founding families, I am convinced that President Horikoshi is highly capable. I hope to see the Company execute bold reforms to turn this attention from the market into an opportunity. If the Company can achieve some major change, the market is sure to return a positive response which could be reflected in the stock price. While I hope that President Horikoshi will continue to lead management for a long time, it's true that as a manager's years of experience increase, there is a tendency for only positive information from within the company to reach that manager's ears. However, human resources who voice harsh opinions and criticisms are truly essential for the growth of an organization and its leaders. I hope that President Horikoshi will proactively listen to painful comments and maintain the flexibility to make course corrections as needed.

Kakinuma More than anything, I hope that President Horikoshi will actively and boldly tackle challenges. As he has just assumed office, it's first important that he demonstrate that stance. While he possesses a background of varied experiences, serving as president is a first for him. If there are any areas in which he lacks the knowledge or expertise needed for the role, we independent directors stand ready to offer active support. To transform to a more innovative corporate culture, bold decisions from top management may be needed as times. As independent directors, we will fully back such endeavors.

Mogi The ideal vision for Marubun drawn up by President Horikoshi looks beyond simple achievement

of the Medium-Term Business Plan in 2027 to envision the form of the Group 10 years from now. I hope the new president will embark upon concrete action to realize this long-term vision and the processes that will turn current considerations into reality. I also hope that he will always hold the passion that he has upon first taking office, using it as a driving force to tackle any difficulties.

The Company's history of over 180 years was built

upon the wisdom and efforts of our predecessors. I believe that carrying forward that tradition while promoting transformation aligned with a new era is the mission that has been entrusted to President Horikoshi. We independent directors are committed to fully supporting this endeavor, and will work together to contribute to sustainable growth and enhanced corporate value for the Group.

Message from an Independent Director



Katsuma Yagi

Independent Director, Audit and
Supervisory Committee Member

I joined Marubun as an independent director in FY2025. I began my career as a technical employee at a textile company that was expanding into new fields. There I was involved in the sales and development of system products, development of new businesses, and management of the R&D lab. Now, I want to leverage my technical and on-site perspectives to contribute to enhancing the Company's corporate value by offering constructive advice that backs up endeavors.

The Company possesses a spirit of "looking forward" and "staying ahead" that has been handed down without interruption from the end of the Edo period to the present, as well as a unique corporate climate and culture cultivated over many years. These are extremely important intangible assets that do not appear on financial statements, and are driving forces in creating new businesses and pioneering the future. Acting on a foundation of this spirit and the development of talent, I have strong expectations that the Company will establish a position as "the unrivaled and most trusted electronics trading company with unique and original values."

The Marubun Nextage 2027 Medium-Term Business Plan that began in the current fiscal year presents vital scenarios for realizing the Company's long-term aspirations with an eye on 2030. Even when pursuing its own growth strategies, the Company must demonstrate a responsible stance toward meeting the demands of the international community and the global environment. In plan management, the Company must possess the capabilities to review results and processes through backcasting from a future vision, to forecast and hypothesize the advancements in cutting-edge technologies and social issues expected in 2030, and to flexibility revise plans accordingly. As an independent director, I will provide apt and sincere advice in support of these efforts.

Corporate Governance

Basic Approach

We recognize the enhancement of our corporate governance structure as one of our key management issues in order to meet the expectations of all stakeholders—such as shareholders, business partners, and employees—and to enhance corporate value, and we are committed to practicing transparent, fair, and highly efficient management.

Based on this policy, we have established the basic framework and policy for corporate governance. Through their implementation, we aim to achieve sustainable growth and enhance corporate value, as set out in the [“Corporate Governance Guidelines,”](#) which we have adopted and put into practice.

Steps for the Strengthening of Governance

To enhance our corporate governance structure, we have undertaken the following initiatives in recent years.

FY2012	Introduction of an executive officer system
FY2013	Migration to the structure of a company with an audit and supervisory committee
FY2014	Establishment of the Corporate Governance Guidelines
FY2015	Establishment of criteria for determination of the independence of directors Establishment of a personnel advisory council (currently the Nomination and Compensation Committee)
FY2016	Start of effectiveness evaluations of the Board of Directors
FY2021	Establishment of the Sustainability Committee
FY2022	Disclosure of Skill Matrix for directors
FY2023	Increase in number of independent directors (from 3 to 4) First appointment of a female independent director Introduction of a restricted stock-based compensation plan
FY2024	Establishment of the Human Capital Committee

Overview of Organizational Structure

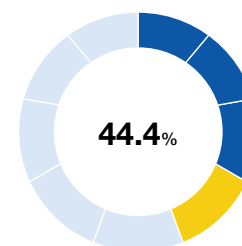
By selecting the form of a company with an audit and supervisory committee and establishing an Audit and Supervisory Committee composed of a majority of independent directors, we are working to strengthen our management supervisory functions and to enhance efficiency and mobility by delegating a considerable part of authority over business execution to directors.

Organizational form	Company with an audit and supervisory committee
Number of directors (of which, number of independent directors)	9 (4)
Term of office of directors (excluding directors who are Audit and Supervisory Committee members)	1 year
Term of office of directors who are Audit and Supervisory Committee members	2 years
Adoption of executive officer system	yes
Voluntary committees	Nomination and Compensation Committee, Management Committee, Internal Control Committee, Sustainability Committee, Human Capital Committee
Accounting auditor	Ernst & Young ShinNihon LLC

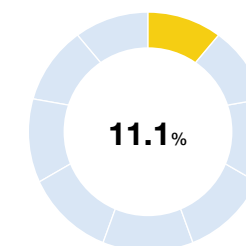
Independence and Diversity of the Board of Directors

We recognize that ensuring independence and diversity in the composition of our Board of Directors is an important management issue in enhancing the effectiveness of the Board's supervisory functions. The current composition is as follows.

▶ Ratio of Independent Directors



▶ Ratio of Female Directors



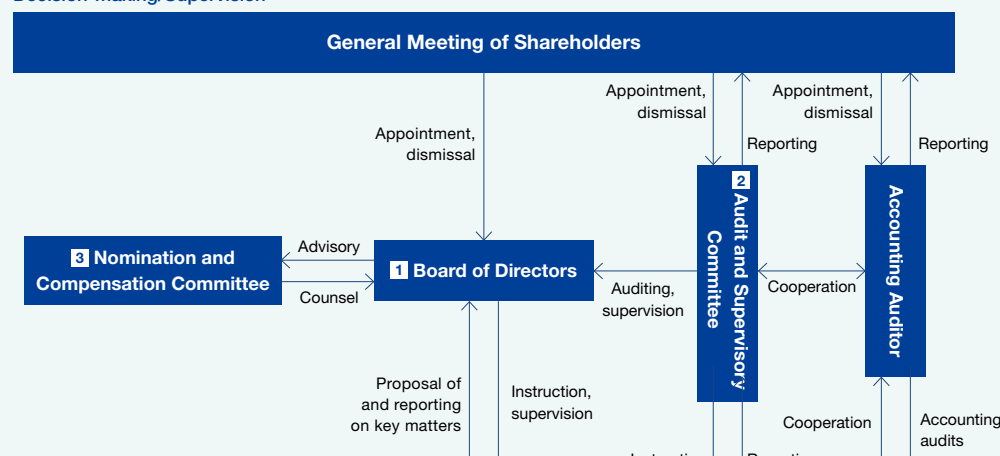
Corporate Governance

Corporate Governance Structure

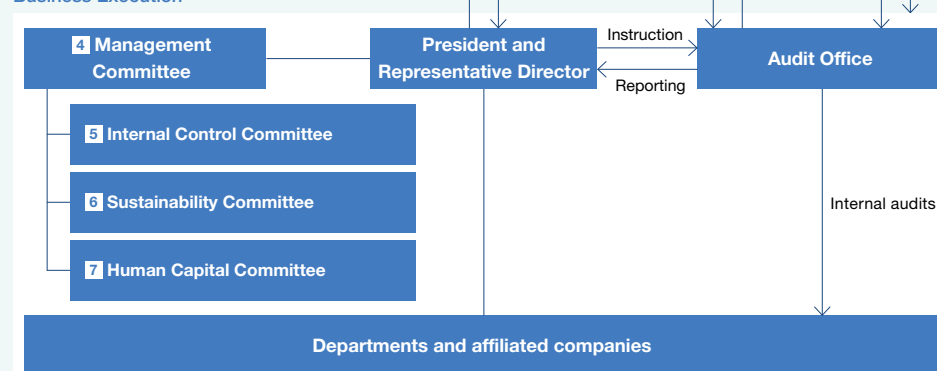
In order to continuously increase the effectiveness of governance, we clearly define the roles and responsibilities of each body. Under appropriate supervision by the Board of Directors, committees and meeting bodies are organically linked to pursue the soundness and efficiency of management. The main bodies of our company and their roles are as follows.

► Corporate Governance Structure Diagram

Decision-making/Supervision



Business Execution



► Key Bodies Supporting Governance

Organization name	Overview	Composition	Frequency
1 Board of Directors	The Board deliberates on important management matters stipulated by laws and the Articles of Incorporation or the Board of Directors Regulations, and engages in decision-making and supervision regarding business execution.	Nine directors (of which four are Audit and Supervisory Committee members who are independent directors)	In principle, once a month or more
2 Audit and Supervisory Committee	In addition to auditing the execution of duties by directors, the committee handles the audit of financial documents, preparation of audit reports, etc. In accordance with the audit policies and plans determined by the Audit and Supervisory Committee, audits are conducted in cooperation with the internal audit department and accounting auditors.	Four Audit and Supervisory Committee members who are independent directors	In principle, once every three months or more
3 Nomination and Compensation Committee	To ensure transparency and fairness in the personnel and compensation of directors, the committee deliberates and provides advice on the selection and dismissal of directors, succession planning, the total amount of directors' compensation, the compensation system, and the framework for calculation methods, from perspectives that include diversity and skills.	Four Audit and Supervisory Committee members who are independent directors	In principle, once a year or more
4 Management Committee	The committee considers the company's basic management policies, management plans, and other important management matters, and conducts prior deliberation on matters to be resolved by the Board of Directors.	President and Representative Director, and executive directors (total of five)	In principle, once a month or more
5 Internal Control Committee	The committee monitors the development and operation status of the internal control system. The Audit and Supervisory Committee receives regularly reporting on the status of the internal control system from the General Manager of the Audit Office (a constituent member) via the Director of the Audit and Supervisory Committee Secretariat.	Five executive directors and five heads of relevant divisions	In principle, once every two months or more
6 Sustainability Committee	The committee sets policies and targets for sustainability activities and monitors their operation.	Five executive directors and five heads of relevant divisions	In principle, once every six months or more
7 Human Capital Committee	The committee discusses, supervises, and monitors matters related to human capital management and supports the promotion of related measures.	Five executive directors and three heads of relevant divisions	In principle, once every two months or more

Corporate Governance

Skill Matrix of Directors

We identify the skills and experience required in light of our management strategy to realize sustainable enhancement of corporate value. In order to promote open and constructive discussions, and to make group decisions and supervise management, we appoint directors with diverse knowledge, experience, and capabilities, including consideration of gender and internationality.

Name	Job Title	Skill Matrix						
		Corporate Management	Sales and Marketing	Industry, Technology, and Product Knowledge	International Experience	Finance and Accounting	IT and Digital	Internal Control
Hiroshi Horikoshi	President and Representative Director and CEO/COO	●	●	●	●		●	
Satoshi Fujino	Executive Managing Director and CINO	●	●	●	●			●
Takehiko Akiyama	Executive Director		●	●				
Hiroshi Imamura	Executive Director	●	●	●				
Yuzo Nakada	Executive Director and CFO/CSO	●	●		●	●		●
Koji Kakinuma	Director (Audit and Supervisory Committee member)					●		●
Eiko Kisogawa	Director (Audit and Supervisory Committee member)	●					●	●
Yoshisaburo Mogi	Director (Audit and Supervisory Committee member)	●	●		●	●		●
Katsuma Yagi	Director (Audit and Supervisory Committee member)		●	●			●	

Note 1: The skills, careers, and expertise required by the Board of Directors will be reviewed in accordance with changes in the business environment and changes in management policy.

Note 2: The above does not represent all the expertise and knowledge held by the Board of Directors members.

Key Skills and Expected Roles

Skill/Experience Items	Definition/Purpose
Corporate Management	This refers to experience in overall corporate management as an executive, directors, or member of management meetings, either at our Company or at other companies. We place importance on broad knowledge and decision-making, supervision, and execution skills that contribute to enhancing corporate value, including ESG/CSR perspectives.
Sales and Marketing	This refers to experience leading business growth and market development as a person responsible for sales and marketing, either at our Company or at other companies. We place importance on the ability to accurately identify customer needs and market trends and to reflect them in business strategy.
Industry, Technology, and Product Knowledge	This refers to deep knowledge in the electronics sector and extensive knowledge and experience related to our business, technology, and products. We place importance on expertise to appropriately conduct business in an environment of rapid technological innovation.
International Experience	This refers to extensive knowledge of global business operations, such as overseas work experience or experience in company management. We place importance on the ability to understand diverse cultures and business environments, and to promote and manage our company's global expansion.
Finance and Accounting	This refers to advanced professional knowledge and practical experience in finance and accounting. This includes qualifications such as Certified Public Accountant, or experience as a finance/accounting officer at a company. We place importance on expertise and management ability with an awareness of ensuring corporate financial soundness and capital efficiency.
IT and Digital	This refers to broad knowledge and experience in promoting DX (digital transformation) and in the planning and execution of IT strategies. We place importance on the ability to promote business transformation through digital technology and to strengthen management foundations.
Internal Control	This refers to advanced professional knowledge and practical experience related to internal control systems such as legal, compliance, risk management, and internal audit. This includes holding a qualification such as attorney, or experience in auditing firms or in a company's audit and internal control departments. We place importance on the ability to build and maintain a sound and highly transparent management structure.

Corporate Governance

Toward the Realization of Highly Effective Governance

We are striving to enhance our framework for sustainable corporate value enhancement by increasing the effectiveness of the Board of Directors and by ensuring that each committee fulfills its respective role and responsibilities, thereby ensuring management transparency and fairness. The main items deliberated intensively by each body during the current fiscal year are as follows.

► Main Deliberation Items of Bodies (FY2024 Results)

Organization Name	Deliberation Details
Board of Directors	Mainly deliberated matters relating to fundamental management policies, the Medium-Term Business Plan and budgets, financial statements, and significant matters relating to organization and personnel.
Audit and Supervisory Committee	Mainly reviewed the preparation of Audit and Supervisory Committee audit reports, formulation of Audit and Supervisory Committee audit plans, confirmation of accounting audit plans, quarterly reviews by the accounting auditor and confirmation of the accounting auditor's audit reports.
Nomination and Compensation Committee	Mainly deliberated individual director compensation allocation and personnel evaluation.
Management Committee	Deliberated on concrete measures for strengthening the management base, improving financial soundness, optimizing organizational structure, and executing and streamlining business strategies. Deliberated on the Medium-Term Business Plan from the next fiscal year (FY2025) onward.
Internal Control Committee	Reviewed the status of risk management based on company-wide risk management principles, focusing on addressing improvements.
Sustainability Committee	Updated scenario analysis based on TCFD recommendations to evaluate risks and opportunities of climate change on our business, and deliberated focusing on monitoring progress toward GHG emission reduction targets.
Human Capital Committee	Defined long-term status targets for human capital. Also discussed ideal human resources for the Company, talent recruitment, etc., and examined revisions aimed at a personnel system under which employees can thrive.

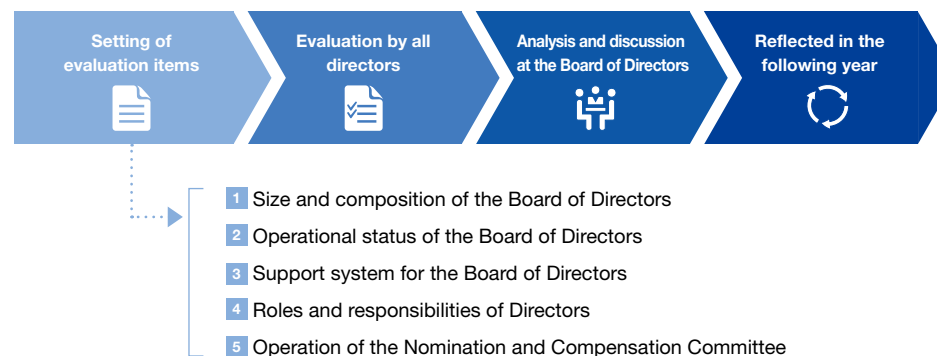
Effectiveness Evaluation for the Board of Directors

To ensure that the Board of Directors properly carries out its roles and responsibilities, every year we conduct an effectiveness evaluation aimed at identifying issues and areas for improvement of the Board of Directors and at enhancing its effectiveness.

Our evaluation of the effectiveness of the Board of Directors in FY2024 was as follows.

Evaluation items and processes

Our effectiveness evaluation is conducted through the following process.



Evaluation results and future issues

As a result of the FY2024 Board of Directors Effectiveness Evaluation, it was confirmed that the Board of Directors is functioning effectively as a whole. Main items receiving high evaluation and recognized future issues are as follows.

Main Items Receiving High Evaluation	Main Future Issues
• Scale, composition, and operation method (such as advance notification of agenda) of the Board of Directors • Regular reporting on sustainability and risk management • Active information exchange among independent directors	• Deep discussions on director succession development and composition of the Board of Directors from a medium- to long-term perspective • Further enhancement of explanations of the agenda review process to independent directors • Ongoing provision of training opportunities for directors

Corporate Governance

Director Compensation

Basic policy and procedures for director compensation

Compensation, etc. for directors (excluding directors who are Audit and Supervisory Committee members) is set appropriately for the responsibilities and roles of directors engaged in the execution of business, and is of content and a level that contribute to the enhancement of corporate value and performance not only in the short term but also in the medium and long term. Compensation amounts are determined within the scope of compensation resolved at General Meetings of Shareholders, taking into account position and content of work, expected degree of contribution during the target period, consolidated performance, and other factors. The framework for the total amount of compensation, compensation structure, and calculation method is determined by the Board of Directors after obtaining advice and consent from the Nomination and Compensation Committee, which is composed of independent directors.

Compensation for individual Directors (excluding directors who are Audit and Supervisory Committee members) is determined by the President and Representative Director, appointed to do so by resolution of the Board of Directors, after obtaining advice and consent from the Nomination and Compensation Committee. The determination of the number of restricted shares to be allocated to each individual as compensation will be made by resolution of the Board of Directors.

The compensation of directors who are Audit and Supervisory Committee members, is determined after discussions by the Audit and Supervisory Committee, considering the nature of the directors' duties from the perspective of ensuring independence and neutrality, and within the compensation framework resolved at the General Meeting of Shareholders.

Fixed Compensation		Performance-Linked Compensation	Stock Compensation
Base Salary	Role-Based Allowance	Performance-Based Pay	Restricted Stock Compensation
The basic compensation set according to rank, with the same amount for identical ranks	Individually determined according to the duties assigned to each executive	Compensation determined in accordance with company performance for the previous fiscal year, calculated using a coefficient specified by executive type	A fixed percentage of the performance-based pay is awarded as stock-based compensation
Monetary			Stock

Director compensation results

Based on the above policy and process, the results of director compensation for FY2024 are as follows.

Officer Category	Total Amount of Compensation, etc. (million yen)	Total Amount by Type of Compensation, etc. (million yen)				Number of Eligible Officers
		Fixed Compensation	Performance-Linked Compensation	Retirement Benefits	Of Item at Left, Non-Monetary Compensation	
Directors (excluding Audit and Supervisory Committee members) (excluding independent directors)	180	122	57	—	17	5
Directorss (Audit and Supervisory Committee members) (excluding independent directors)	—	—	—	—	—	—
Independent Directors	36	36	—	—	—	4

Note 1: Total amount of compensation, etc. for directors does not include the salaries of employees who concurrently serve as directors.

Corporate Governance Report

Our Corporate Governance Report is available on our [company website](#). Please see it for details.

Dialogue with Shareholders and Investors

We believe that constructive dialogue with shareholders and investors is essential for achieving sustainable growth and enhancing our medium- to long-term corporate value.

In FY2024, we held online financial results briefings, streamed video presentations for institutional investors and analysts, and conducted individual meetings throughout the year. In these discussions, we explained topics such as the progress of our Medium-Term Business Plan, sustainability initiatives, and shareholder returns policy, and engaged in active exchanges of opinions. We are also working to deepen understanding of the company among all stakeholders, including individual shareholders, by ensuring prompt and fair information disclosure through our integrated reports and website. Valuable feedback from these activities is regularly reported to the Board of Directors, and is utilized to formulate management strategies and improve business operations.

Risk Management

Initiatives for Integrated Risk Management

Our company is building a comprehensive and cross-functional risk control system, centered on the Internal Control Committee, which is chaired by the President and Representative Director and comprises five executive directors and five relevant division heads.

Our risk management process is based on annual risk management plans, with each division monitoring risks quarterly in accordance with plan. Results of monitoring are reviewed by the Internal Control Committee, which verifies the validity of risk assessments and gives necessary corrective or improvement instructions. The effectiveness of this process is objectively evaluated by the Audit Office through internal audits.

If it is determined that a significant loss has occurred or is likely to occur in our business activities, or if there is a significant potential impact on stakeholders, the President will immediately establish an Emergency Response Headquarters in accordance with the Crisis Management Regulations, and the appointed head of the headquarters will quickly initiate response measures to minimize damage to corporate value.

Risk Management System



Risk categories

We define risks as “uncertain events that impede the achievement of management objectives.” After classifying them into the nine categories shown below, we evaluate and assess approximately 100 detailed risk management items using a frequency-impact matrix. We monitor and assess these risks according to the risk management plan and strive for early detection and correction to minimize any losses.

In FY2024, due to changes in financial markets from exchange rates and rising interest rates as well as sluggish customer demand, we considered and implemented necessary measures for business risks and market risks.

Strategic Risks	Risks related to strategy, policy management, business investments, etc.
Business Risks	Risks related to products, services, inventories, business partner credit, contracts, marketing, technologies, etc.
Financial Risks	Risks related to finance, accounting, taxation, asset procurement and management, etc.
Market Risks	Risks related to exchange rates, interest rates, stock prices, etc.
Legal and Compliance Risks	Risks related to response to laws and regulations, compliance, ethics, etc.
Organizational and Personnel Risks	Risks related to organizational structure, authority and command, labor and personnel management, etc.
Information Risks	Risks related to information systems, information security, etc.
Asset Maintenance Risks	Risks related to natural disasters, communicable diseases, accidents and malfunctions, etc.
Other Risks	Significant risks and foreseen risks other than the above

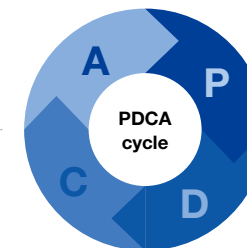
Risk Management PDCA Cycle

Action

- Management review
- Risk countermeasures

Check

- Monitoring
- Activity evaluation
- Internal audits



Plan

- Risk identification
- Analysis of degree of impact
- RMI* setting

Do

- Risk management promotion
- Risk education

* RMI: Risk Monitoring Indicator. It is set as a quantitative evaluation indicator used in evaluation.

Compliance

Basic Approach

In our Charter of Corporate Conduct, which presents the basic approach of the Marubun Group to its corporate activities, as well as the Action Principles, which set out the judgment criteria for officers and employees of the Marubun Group, we declare our commitment to complying with domestic and international laws and international rules, promoting sound business activities based on fair and free competition, respecting the intellectual property of others, and refraining from any form of bribery or corrupt practices.

To put this into practice, we provide annual CSR training in accordance with the Marubun Group Compliance Policy to ensure thorough compliance, and have established consultation and reporting hotlines for officers and employees in order to prevent and correct compliance violations and improve the workplace environment.

See the Charter of Corporate Conduct and Action Principles [on our website](#).

Items Stipulated in the Charter of Corporate Conduct and Action Principles

- 1 Management with integrity and accountability
- 2 Fair business activities
- 3 Contribution to sustainable society
- 4 Contribution to environmental conservation
- 5 Enhancement of customer satisfaction
- 6 Effective enterprise risk management
- 7 Respect for human rights
- 8 Development of an employee-oriented work environment

Marubun Group Compliance Policy

- 1 As a corporate group, we will develop and continuously improve the compliance management system that forms the basis for our CSR management.
- 2 We will comply with laws and regulations and will engage in corporate activities in accordance with our Charter of Corporate Conduct and our Action Principles.
- 3 Through systematic education and training programs, we will strive to nurture and instill a compliance mindset.

Compliance Structure

We have appointed the President and Representative Director as the Compliance Oversight Officer for the entire Group, and the General Manager of the Legal Division as the Compliance Officer responsible for specific measures.

In addition, the Compliance Officer regularly reports to the Board of Directors on the status of compliance and related activities throughout the Group. The Board evaluates and supervises the effectiveness of the system based on such reports, ensuring an effective governance structure.

Promotion of group compliance

Our group strives for all officers and employees to comply with laws, social norms, the Charter of Corporate Conduct, Action Principles, and internal rules, aiming to foster a high-ethics corporate culture.

To achieve this, we hold Group Compliance Promotion Manager Conference meetings annually, bringing together compliance officers from group companies. This conference serves as an important opportunity for group-wide information sharing through the reporting of each company's initiatives and challenges and exchanges of opinions.

In FY2024, we put particular focus on checking compliance with business-related laws and regulations (such as the Antimonopoly Act and Subcontract Act) and the status of harassment-prevention training. Through discussions and exchange of opinions, we strive for further improvements, leading to enhanced quality of group-wide education and training programs.

Compliance Structure Diagram



Compliance

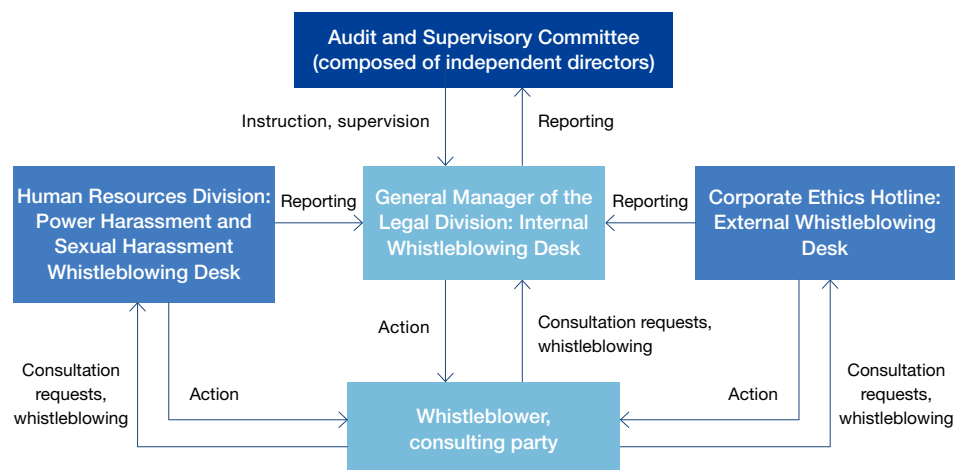
Development of a whistleblowing system

To detect and correct misconduct at an early stage, our Group has set up desks inside and outside the Company to handle requests for consultation and whistleblowing from officers and employees concerning organizational or personal violations of conduct, laws, or ethics. Our Corporate Ethics Hotline desk outside the Company accepts contact 24 hours a day via the web, creating an environment conducive to anonymous whistleblowing and consultation requests.

Whistleblower reports and consultation requests received at the internal and external desks are delivered by the General Manager of the Legal Division to the Audit and Supervisory Committee (composed of independent directors), after which necessary action is taken. We have established Internal Whistleblowing Regulations stipulating that officers and employees engaging in whistleblowing and consultation requests must not be treated disadvantageously and that their personal information must be protected.

Information regarding the consultation and reporting hotlines is communicated to all group officers and employees each year through CSR training, new employee orientation, and internal manuals, and information received through consultation and reports is used to improve workplaces, implement necessary employee training, and enhance internal systems.

► Overview of the Whistleblowing System



Implementation of CSR education

Every year, we conduct CSR education on antitrust law, security exports, human rights, diversity, harassment, intellectual property rights, information security, and other topics for all employees of the Marubun Group. Through these educational efforts, we strive to foster and raise awareness of compliance among all employees.

► CSR Education Topics

Human Rights and Labor

- Human rights, diversity, LGBTQ issues
- Harassment
- Occupational safety and health



Fair Business Practices

- Antimonopoly Act
- Subcontract Act
- Prevention of bribery
- B-to-C transaction laws and regulations
- Intellectual property rights



Information Management and Risks

- Information security
- Protection of personal information
- Insider trading
- Security exports and specified exports



Sustainability and Corporate Ethics

- Corporate Philosophy
- Sustainability, the SDGs
- The environment, quality, conflict minerals



► Number of Participants in CSR Education (Consolidated)

	FY2022	FY2023	FY2024
Employees	997	1,037	1,069
Partner companies' employees*	134	149	151
Total	1,131	1,186	1,220

* "Partner company employees" refers to employees of contractors engaged in work at our business sites.

Environmental Initiatives

Information Disclosure Based on TCFD Recommendations

Governance

Our Company has established a Sustainability Committee to formulate policies and plans concerning climate change action and other sustainability issues and to monitor related initiatives. (Our sustainability promotion structure is described in “Sustainability” on [p. 20](#))

Issues and strategies

Our Company is pursuing opportunities for business development and business expansion based on the following business strategies, while also considering response to climate change.

Electronic Devices Business	• Select and concentrate on growth areas • Provide support to expand, maintain, and restructure sales channels • Develop new technologies and products/expand passive component sales • Achieve group synergy • Expand sales channels in the mass market
Electronic Systems Business	• Develop new businesses / develop new products • Expand existing business domains / scale • Incorporate businesses related to measures promoted by the national government • Strengthen group management / expand business foundations • Establish overseas operations
Entrepreneur Business	• Develop new businesses • Demonstrate the uniqueness in value provided • Develop and expand AI-related products • Pursue strategic collaboration opportunities

1.5°C scenario

Changes in energy policies and the introduction of carbon taxes are expected to increase costs (expenses and purchasing costs). Conversely, in the markets we serve, as many low-carbon technologies are successively commercialized, it is expected that demand will expand as more electronic equipment, semiconductors, electronic components, and the like are adopted for EVs, industrial equipment, communication equipment, and other products related to low-carbon fields and electronics advancement. If we can pass on and recover increased costs such as carbon taxes, we can expect a corresponding increase in profits as the market expands.

4°C scenario

This scenario expects that increases in costs (expenses and purchasing costs) will

not be as large as under the 1.5°C scenario, but the frequency and intensity of natural disasters will increase. On the other hand, the market is not expected to enjoy significant growth due to advances in electronics under the 1.5°C scenario, but steady growth accompanying economic expansion is anticipated to continue. If appropriate responses to natural disasters, rising temperatures, and other factors are implemented, a certain degree of earnings growth in line with market growth can be expected.

Risk management

The Sustainability Committee comprehensively evaluates risks and opportunities related to climate change. In our priority ranking of climate-related risks, we set importance on the basis of factors including the degree of impact of risks and opportunities under multiple scenarios and the content and the magnitude of the impacts on our financial situation. We incorporate the outcomes into our Company-wide risk management plan, which is submitted to the Internal Control Committee chaired by the President and Representative Director for approval and is then reported to the Board of Directors.

Indicators and targets

In evaluating our climate change initiatives, we use Scope 1 to 3 greenhouse gas emissions volumes as indicators.

	FY2024 (Results)	FY2030 (Target)	FY2050 (Target)
Scope 1	910 t-CO ₂ (non-consolidated Company: 93 t-CO ₂)	50% reduction (compared to FY2019)	Carbon neutrality
Scope 2	Market-based: 941 t-CO ₂ (non-consolidated Company: 590 t-CO ₂) Location-based: 899 t-CO ₂ (non-consolidated Company: 587 t-CO ₂)		
Scope 3	1,398,009 t-CO ₂ (non-consolidated Company: 1,310,881 t-CO ₂)	—	—

Note 1: Group results are the total figure for the non-consolidated Company and three domestic consolidated subsidiaries.

Note 2: Scope 3 is the total figure for Categories 1 to 7.

We also consider initiatives in the supply chain to be important to our business. Once a year, we check major suppliers' efforts to reduce greenhouse gas emissions. We also deliver our thoughts and initiatives regarding CSR procurement, including greenhouse gas emission reduction, to other top suppliers on an annual basis as an effort to gain their understanding.

Environmental Initiatives

Analysis of Impacts under 1.5°C and 4°C Scenarios

Category	Item	Risk Type	Details of Impacts	Risks	Opportunities	Degree of Impact	Countermeasures
Changes in Society as a Whole	Changes in energy policy and introduction of carbon taxes	Transition risks and opportunities	Increase/decrease in costs and purchase prices	Carbon taxes are introduced, increasing the tax burden based on CO ₂ emissions. An increase in the cost of carbon emissions results in higher purchase prices and transportation costs of goods.	Lowering the burden of carbon taxes through reductions in CO ₂ emissions across our Company and the supply chain reduces costs. Handling products with price competitiveness increases sales.	1.5°C > 4°C	- Reduction of GHG emissions by our company - Reduction of GHG emissions in the supply chain
	Advances in electronics	Transition opportunities	Sales increase	—	With advances in electronics, demand for electronic products with high efficiency, low power consumption, and excellent heat management increases, leading to increased sales.	1.5°C > 4°C	- Proper market monitoring - Alignment of market trends with our company strategy - Quick catch-up with new markets
	Changes in stakeholder behavior (investors)	Transition risks and opportunities	Stock price	Passivity in initiatives toward climate change action, the SDGs, and other resolution of social issues results in exclusion from expanding sustainability investment and a decrease in corporate value.	Expansion of sustainability investment improves investor evaluation through decarbonization, CO ₂ emissions reduction, and enhanced disclosure of non-financial information, leading to reduced financing costs.	1.5°C > 4°C	- Proper understanding of society's sustainability requirements - Proper and continuous disclosure of non-financial information
	Changes in stakeholder behavior (customers)	Transition risks and opportunities	Sales increase/decrease	If efforts to address climate change are not sufficient, customers seeking sustainability management may avoid us, leading to decreased sales.	With a stronger focus on sustainability management, decarbonization throughout the value chain, and CO ₂ emissions reduction, these initiatives enhance evaluation, leading to increased sales.	1.5°C > 4°C	- Proper understanding of society's sustainability requirements - Proper and continuous disclosure of non-financial information
	Intensification of natural disasters (in-house/supply chain)	Physical risks and opportunities	Losses, decreased sales, increased costs	Increases in natural disasters (torrential rains, flooding, etc.) result in damage to our facilities and increasing demands for relocation. Supply chains are affected, resulting in decreased sales, claims for damages, and increased insurance costs.	Sales increase through the provision of appropriate products and services for disaster prevention and mitigation against increasing natural disasters.	1.5°C < 4°C	- Consideration of increased disasters in BCP - Proper market monitoring (trends in disaster response) - Quick catch-up with the disaster prevention and mitigation market - Alignment of market trends with our company strategy
Changes in Individual Markets	Changes in markets (automotive-related)	Transition risks and opportunities	Sales increase/decrease	If product offerings that contribute to EVs and improved environmental performance cannot be expanded, opportunity losses and decreased sales will result.	With the proliferation of EVs and the advancement of environmental performance, the digitalization of automobiles expands and demand for semiconductors and vehicle equipment increases, leading to increased sales.	1.5°C > 4°C	- Proper monitoring of EV adoption status - Alignment of market trends (including EV adoption) with our company strategy
	Changes in markets (FA -related)	Transition risks and opportunities	Sales increase/decrease	The inability to expand product offerings that contribute to GX and environmental action results in opportunity losses and decreased sales.	Demand for capital investment for GX and environmental action increases, leading to increased sales.	1.5°C > 4°C	- Proper market monitoring - Alignment of market trends with our company strategy
	Changes in markets (communication infrastructure-related)	Transition risks and opportunities	Sales increase/decrease	If product offerings adapted to ICT for decarbonization/DX and new technologies cannot be expanded, opportunity losses and decreased sales will result.	Demand for communication infrastructure/devices increases due to accelerated ICT for decarbonization/DX, leading to increased sales.	1.5°C > 4°C	- Proper market monitoring - Alignment of market trends with our company strategy
	Changes in markets (next-generation technologies)	Transition risks and opportunities	Sales increase/decrease	Inability to expand and supply products that respond to market demands—such as telemedicine, renewable energy and power storage technologies essential for decarbonization, next-generation technologies (including AI and robotics) utilized in decarbonization initiatives, and other related solutions—may result in lost opportunities and decreased sales.	Demand for electronics increases due to the advance of renewable energy and power storage technologies and the expansion of next-generation technologies (AI/robots, etc.) used in telemedicine and decarbonization.	1.5°C > 4°C (Telemedicine: 1.5°C < 4°C)	- Monitoring of new markets and next-generation technologies - Alignment of market trends with our company strategy (including preparation of products using new technologies) - Timely response without missing opportunities

Environmental Initiatives

Initiatives Aimed at the Global Environment

Basic approach

Recognizing “the conservation of the global environment” as an important issue in our corporate activities, we have established our Environmental and Quality Policy and are promoting initiatives aimed at reducing environmental impact. As part of our environmental conservation efforts, we are promoting environmental activities such as resource conservation, energy saving, and waste reduction.

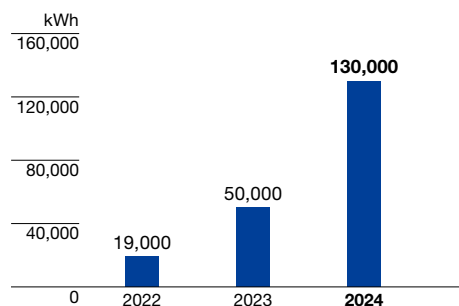
Examples of initiatives

Office initiatives

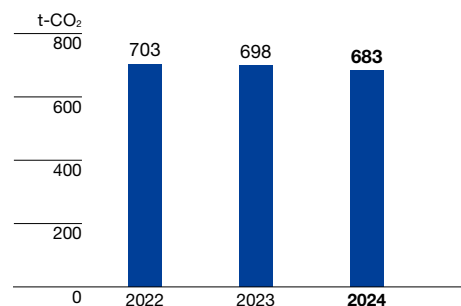
We are actively working to promote energy saving and to use renewable energy to contribute to the realization of a decarbonized society. At our head office, we have introduced energy-efficient, long-life LED lighting to reduce power consumption and also cover part of the electricity used in our building with green electricity generated from biomass energy.



Green Power Usage



CO₂ Emissions: Scope 1 + Scope 2 (Non-consolidated)



Adoption of eco-cars for company vehicles

We are promoting a switch to eco-cars as lease periods expire. In addition to CO₂ emissions, we are working to reduce emissions of other harmful substances and promote reduction of the environmental burden of our business activities.

Number of Company Vehicles and Ratio of Eco-cars

	FY2020	FY2021	FY2022	FY2023	FY2024
Company-Owned Vehicles	36	27	23	22	21
Of the Above, Eco-cars	27	20	16	16	18
Ratio	75.0%	74.0%	69.6%	72.7%	85.7%

Donation to the Green Fund

We deeply recognize that our business activities are based on abundant natural capital. Passing on these blessings to the future is an important responsibility of our company.

Based on this idea, we make donations to the Green Fund organized by the National Land Afforestation Promotion Organization, through a portion of sales from support-type vending machines. These donations are used for forest maintenance by forest volunteers and NPOs, environmental greening, and environmental education for the next generation—supporting “forest- and people-building” efforts in Japan and abroad.



Use of Rainforest Alliance Certified products

We have adopted products made with tea leaves from Rainforest Alliance Certified* farms for the tea we serve to visitors at our head office. Through daily business activities, we create opportunities to raise awareness of environmental and social issues together with employees and customers.



* A comprehensive certification system aimed at promoting more sustainable agriculture, incorporating protection of forests, respect for workers' human rights, improvement of workers' living conditions, and mitigation of and adaptation to the climate crisis.

Relations with Society

Supply Chains

Basic approach

In expanding our business globally, our Group acts with respect for human rights, complies with laws and social norms in Japan and overseas, practices sound management, and engages in initiatives aimed at sustainable supply chains.

Sustainable procurement guidelines

Our Company has set forth "Supply Chain Sustainable Procurement Guidelines" aimed at the construction of a management system for achieving sustainable supply chains, with laws and regulations, human rights, the environment, quality, occupational safety, information security, and other factors taken into account. We communicate this to business partners and request their cooperation in ensuring that our initiatives are carried out by our suppliers and even further upstream in supply chains.

For details, please see our [company website](#).

Respect for human rights

Recognizing risks of human rights violations in our business activities, especially in the globally expanding supply chain, as a major management issue, we have formulated the "Supply Chain Sustainable Procurement Guidelines" as a foundation for risk prevention. These guidelines reference international human rights standards, including core ILO labor standards, stipulate respect for workers' human rights, and specify the below items. By obtaining understanding and cooperation from our business partners regarding these guidelines, we aim to realize respect for human rights throughout the entire supply chain.

In addition, we conduct annual training on respect for human rights for all employees in our group, aiming to enhance awareness and promote these efforts.

► Main Items Related to Human Rights

- | | |
|---|--|
| 1 Prohibition of forced labor | 2 Prohibiting child labor and respecting the rights of young workers |
| 3 Decent working hours | 4 Adequate wages and allowances |
| 5 Prohibition of inhumane treatment | 6 Prohibition of discrimination |
| 7 Freedom of association and the right to collective bargaining | |

Initiatives for responsible action on conflict minerals

In accordance with OECD guidelines and US laws and regulations concerning conflict minerals, we are required to disclose information on the use of conflict minerals from conflict zones and high-risk areas, and to engage in responsible mineral procurement. As sustainable procurement initiatives, we work with all parties involved in our supply chains to avoid the use of conflict minerals, and cooperate with surveys by our customers.

Management of chemical substances in products

With initiatives for the management of chemical substances spreading worldwide, addressing countries' chemical substance management regulations has become a key issue for companies. We respond to diverse demands including chemSHERPA, JAMA sheets, ICP data, and non-use certificates, and make efforts toward the proper management of information on chemical substances contained in products and the seamless communication of information to customers.

Security export control

We recognize security export control as an item of the highest importance in risk management, and strive to comply with foreign exchange laws, national laws and regulations, and international treaties.

We have established Security Export Control Regulations under which we carry out management of all products based on parameter determination and on review of export-related transactions. In transactions intended for export, we properly notify customers of the results of parameter determination.

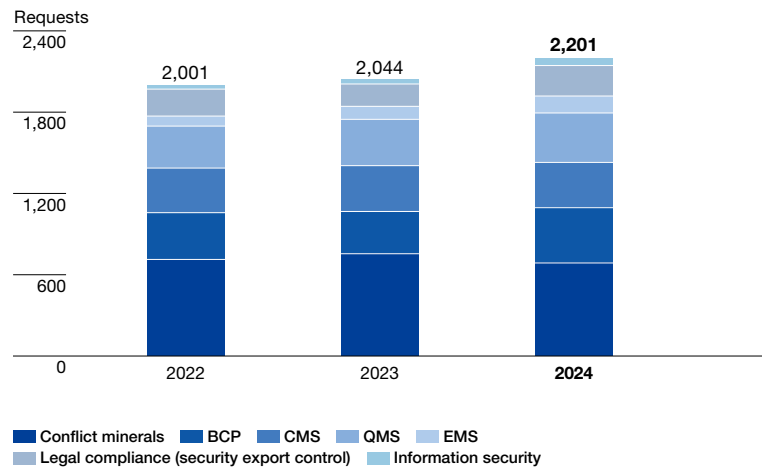
Relations with Society

Response to supply chain surveys by business partners

We see our customers' growing awareness of sustainable procurement in recent years as a significant opportunity for us to further enhance the transparency and reliability of our entire supply chain. Therefore, we sincerely address every investigation related to human rights, environment, chemical substances in products, and security export controls, as a social responsibility of companies involved in the supply chain.

By deepening our relationships of trust through such dialogues with our customers, together, we will build a resilient and sustainable supply chain.

▶ Content and Number of Sustainable Procurement Surveys from Business Partners



Stable supply to business partners

Amid growing complexity in the global supply chain and heightened geopolitical risks, ensuring a stable supply of electronic components is our most critical mission in supporting our customers' businesses. Based on years of experience as an electronics trading company, we strive to ensure stable product supply through demand forecasting and strong collaboration with suppliers to optimize inventory.

At our Logistics Center, we guarantee quality with perfect traceability during shipping and receiving, and support customers' smooth overseas operations through our "Authorized Exporter" certification.

Furthermore, our strategic partnership with Arrow Electronics, Inc. in the United States enables us to utilize their global inventory information and worldwide supply chain. This allows us to supply components at high service levels wherever our customers carry out their production activities, supporting their global expansion.

Other initiatives

We actively undertake initiatives for the maintenance of sustainable supply chains, including Tcertification and our Quality and Environment Management System.

For details, please see our [company website](#).



CERTIFIED

To view our Tcertification Due Diligence report, please visit

<https://tpms.ethixbase360.com/IntermediaryDirectory> and search for the company name "Marubun Corporation".

Relations with Society

Social Contribution Activities

Basic approach

As an electronics trading company, we consider contributing to the advancement of science and technology—the foundation of our business—to be our most important social mission. Based on this belief, we promote a variety of social contribution activities, including support for researchers who will lead the future, donations to organizations addressing social issues, and engagement with the local community.

Examples of initiatives

— Academic support through the Marubun Research Promotion Foundation

The Marubun Research Promotion Foundation was established in 1997 to contribute to the strengthening of industrial and technological infrastructure in Japan and overseas and to contribute to the sound advancement of Japan's economy and society in harmony with the international community. Our mission is to discover and support young researchers with outstanding talent regardless of nationality, and the foresight of our foundation has been proven by its accomplishments.

The current chairman, Hiroyuki Sakaki (Chairperson, Nara National Institute of Higher Education and Research), has made significant contributions to the development of Japanese semiconductor technology through research on semiconductor quantum effect devices and was awarded the Order of Culture in 2022. In addition, Hiroshi Amano (Professor, Nagoya University), Nobel Laureate in Physics 2014, received our foundation's award as a young researcher in 2000 and now serves as chairperson of our selection committee. Including Professor Amano, we have supported more than 1,500 researchers in total to date. We will continue to support researchers' passion and contribute to the advancement of science and technology that creates the social infrastructure of the future.



Award Ceremony Scene



— Towards a society where everyone can thrive as themselves

We support “Paralym Art®” as an official partner, which helps artists with disabilities achieve economic independence and social participation. For the FY2024, we commissioned an original cover illustration for the shareholder newsletter, adding a touch of vibrancy to the publication. Through art, we contribute to realizing a society where everyone can fully express their individuality and abilities and thrive as themselves.



"Let's Paint a Rainbow for the Future"
Author: NAMY

— Nurturing the next generation and contributing to society through music

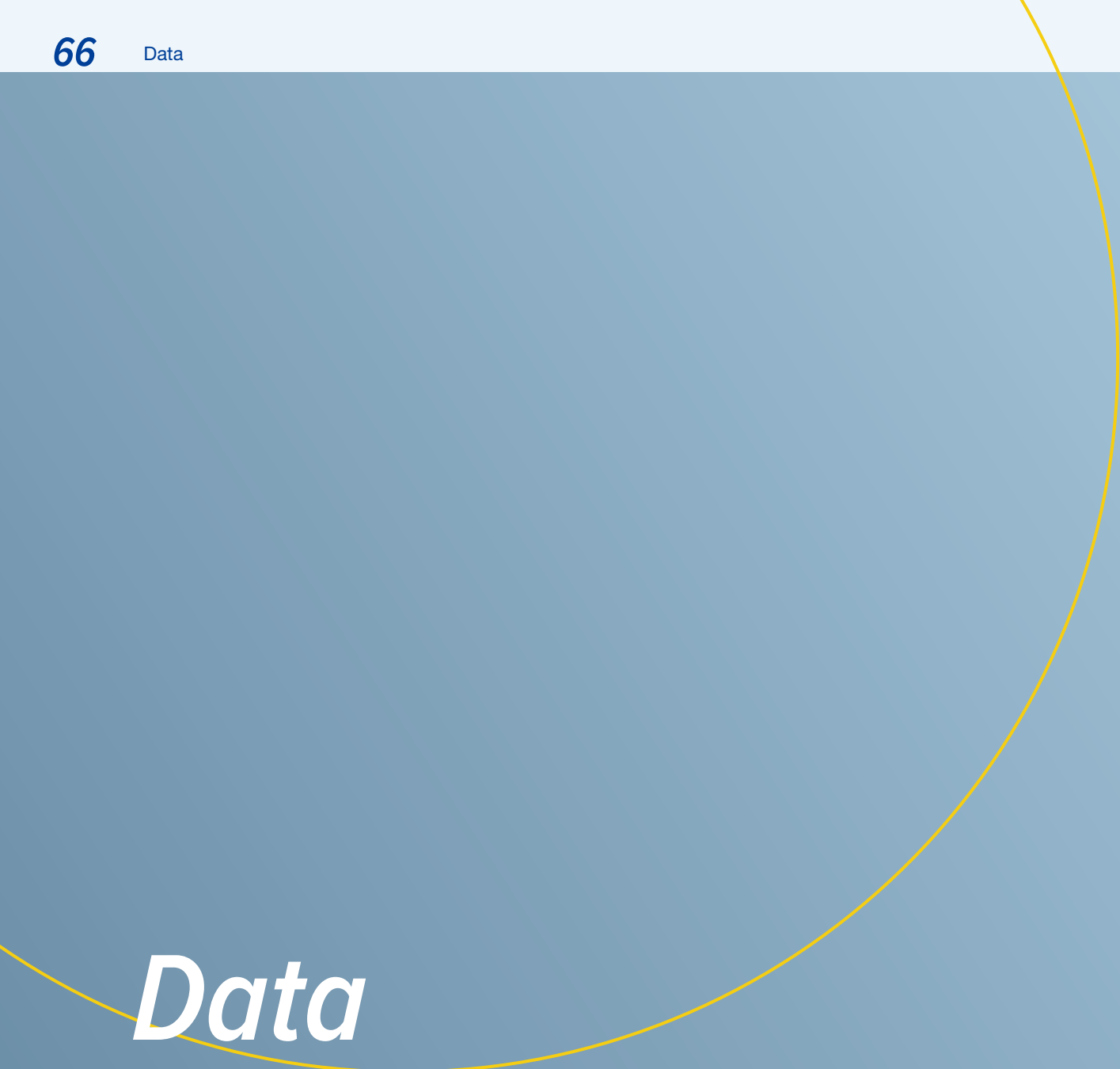
We support the activities of the Japan Philharmonic Orchestra, which brings hope to disaster-affected areas and nurtures the dreams of young people, by backing its social contribution activities as a corporate member through music. This support contributes to realizing a rich society fostered by culture and the arts, through nurturing young artists who will lead the next generation, as well as holding reconstruction support concerts in disaster-affected areas.



©Koji Iida

— Towards building a disaster-resilient society

In times of disaster, we focus on providing swift support to affected areas. For the FY2024, we provided support for the recovery of the Wajima lacquerware industry, which suffered extensive damage in the Noto Peninsula earthquake, and contributed to the Japan Kennel Club to support the training and dispatch of disaster rescue dogs working at the frontlines of lifesaving efforts. We will continue to contribute to activities that protect Japanese traditions and ensure the safety and security of people's lives.

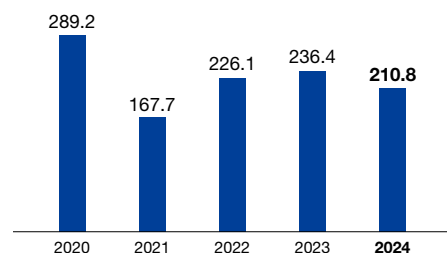


Data

Financial Highlights

Net Sales

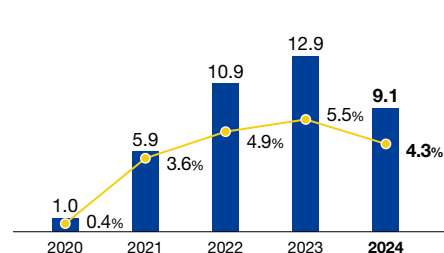
(billion yen)



■ Net Sales

Operating Profit / Operating Profit Ratio

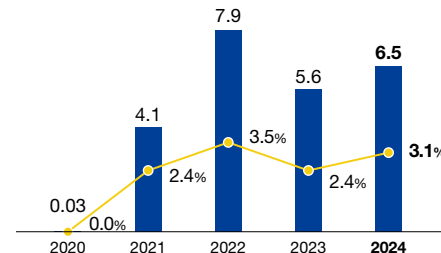
(billion yen)



■ Operating Profit ● Operating Profit Ratio

Ordinary Profit / Ordinary Profit Ratio

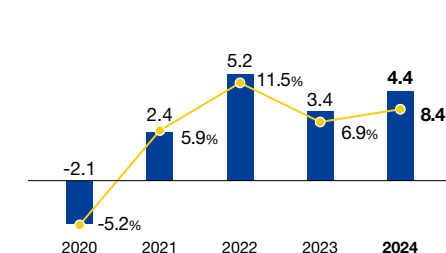
(billion yen)



■ Ordinary Profit ● Ordinary Profit Ratio

Profit Attributable to Owners of Parent / ROE

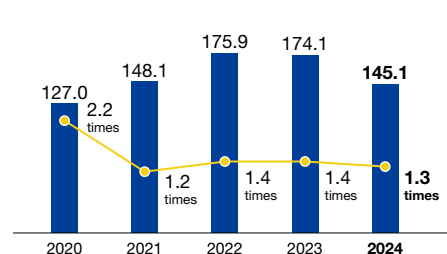
(billion yen)



■ Profit Attributable to Owners of Parent ● ROE

Total Assets / Total Asset Turnover Ratio

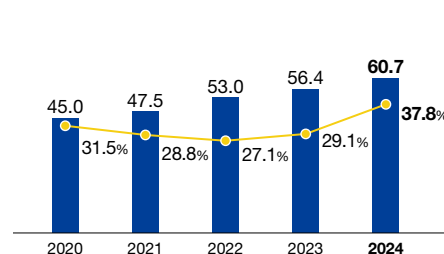
(billion yen)



■ Total Assets ● Total Asset Turnover Ratio

Total Net Assets / Equity Ratio

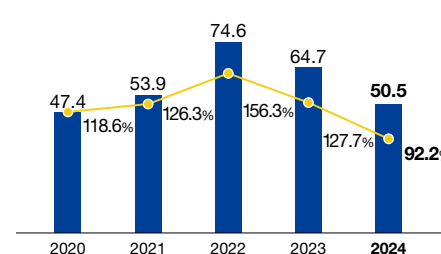
(billion yen)



■ Total Net Assets ● Equity Ratio

Interest-Bearing Debt / D/E Ratio

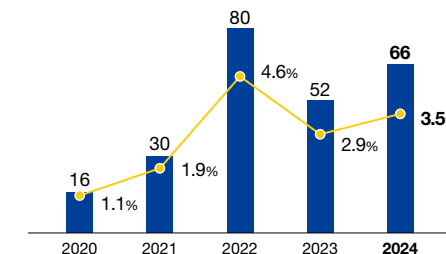
(billion yen)



■ Interest-Bearing Debt ● D/E Ratio

Dividend Per Share / DOE (Dividend on Equity)

(yen)



■ Dividend Per Share ● DOE (Dividend on Equity)

Note 1: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of FY2021. Figures for FY2021 and later are figures after application of this accounting standard and other items.

Note 2: From the first quarter of the fiscal year ending March 2026, we have made changes to our accounting policies. Figures for the fiscal year ended March 2025 (FY2024) have been retroactively adjusted.

Financial Summary

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	(million yen) FY2024
Management Results:											
Net Sales	273,683	279,571	270,698	347,508	326,694	287,550	289,283	167,794	226,171	236,490	210,837
Gross Profit	19,146	18,319	20,612	21,161	22,767	18,577	16,217	20,251	27,264	29,607	26,221
Operating Profit	4,552	3,212	2,883	3,771	5,048	2,369	1,023	5,994	10,997	12,984	9,153
Ordinary Profit	3,886	3,321	2,651	4,218	3,020	2,006	33	4,106	7,909	5,627	6,539
Profit Attributable to Owners of Parent	1,990	1,810	1,650	2,077	1,636	(75)	(2,133)	2,437	5,201	3,401	4,408
Financial Position:											
Total Assets	128,313	106,513	125,984	135,796	128,163	131,451	127,006	148,179	175,998	174,120	145,171
Interest-Bearing Debt	23,980	18,366	34,291	43,773	47,726	53,692	47,474	53,927	74,643	64,716	50,534
Total Net Assets	46,302	46,338	47,550	49,177	49,726	48,204	45,040	47,574	53,084	56,433	60,781
Cash Flows:											
Net Cash Flow from Operating Activities	2,202	(1,204)	(5,894)	(7,619)	1,992	(309)	15,205	(2,948)	(18,981)	22,694	18,617
Net Cash Flow from Investing Activities	(235)	493	(1,862)	(964)	(495)	(582)	(790)	145	(326)	(1,424)	(2,146)
Net Cash Flow from Financing Activities	(1,515)	(6,724)	6,282	10,374	1,243	5,188	(8,188)	391	14,071	(20,050)	(16,405)
Free Cash Flows	1,967	(711)	(7,756)	(8,583)	1,497	(891)	14,415	(2,803)	(19,307)	21,270	16,471
Key Indicators											
Return on Equity (ROE) (%)	5.1	4.5	4.0	4.9	3.8	(0.2)	(5.2)	5.9	11.5	6.9	8.4
Return on Total Assets (ROA) (%)	1.7	1.5	1.4	1.6	1.2	(0.1)	(1.7)	1.8	3.2	1.9	2.8
Total Asset Turnover Ratio	2.3	2.4	2.3	2.7	2.5	2.2	2.2	1.2	1.4	1.4	1.3
Equity Ratio (%)	31.5	37.9	33.1	31.7	33.9	32.2	31.5	28.8	27.1	29.1	37.8
Dividend Payout Ratio (%)	26.3	43.3	39.6	37.7	47.9	—	—	32.2	40.2	40.0	39.2
Dividend on Equity Ratio (DOE) (%)	1.4	2.0	1.6	1.9	1.9	1.9	1.1	1.9	4.6	2.9	3.5
Per-Share Information											
Earnings per Share (EPS) (yen)	76.18	69.26	63.14	79.49	62.61	(2.89)	(81.64)	93.26	199.04	130.07	168.48
Net Assets per Share (BPS) (yen)	1,547.74	1,544.30	1,595.81	1,646.67	1,664.82	1,617.98	1,531.10	1,634.26	1,826.99	1,938.07	2,094.29
Dividend per Share (yen)	20.00	30.00	25.00	30.00	30.00	30.00	16.00	30.00	80.00	52.00	66.00

Note 1: "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of FY2021. Key management indicators, etc. for FY2021 and later are figures after application of this accounting standard and other items.

Note 2: From the first quarter of the fiscal year ending March 2026, we have made changes to our accounting policies. Figures for the fiscal year ended March 2025 (FY2024) have been retroactively adjusted.

Non-Financial Summary

► Environmental Data (Total for the Company and Three Domestic Consolidated Subsidiaries)

	Unit	FY2022	FY2023	FY2024
CO ₂ Emissions Scope 1	t-CO ₂	890	884	910
CO ₂ Emissions Scope 2				
Market-Based	t-CO ₂	951	893	941
Location-Based	t-CO ₂	—	930	899
CO ₂ Emissions Scope 3	t-CO ₂	1,456,963	1,543,110	1,398,009
Electricity Usage (Non-consolidated)	KWh	1,372,000	1,414,000	1,374,000
Green Power Usage	KWh	19,000	50,000	130,000

Note 1: Scope 3 is the total figure for Categories 1 to 7.

► Governance-related Data

	Unit	FY2022	FY2023	FY2024
Number of Directors	people	9	9	9
Internal Directors	people	6	5	5
Independent Directors	people	3	4	4
Ratio of Independent Directors	%	33.3	44.4	44.4
Ratio of Female Directors	%	0.0	11.1	11.1
Number of Board of Directors Meetings	times held	13	12	14
Attendance Rate at Board of Directors Meetings	%	98.2	100.0	100.0
Number of Audit and Supervisory Committee Meetings	times held	6	6	7
Attendance Rate at Audit and Supervisory Committee Meetings	%	100.0	100.0	100.0
Number of Nomination and Compensation Committee Meetings	times held	5	3	3
Attendance Rate at Nomination and Compensation Committee Meetings	%	100.0	100.0	100.0

► Social-related Data (Non-consolidated)

	Unit	FY2022	FY2023	FY2024
Number of Employees (Parentheses Indicate Consolidated Figures)	people	588 (1,117)	615 (1,167)	633 (1,179)
Number of Male Employees	people	402	418	432
Number of Female Employees	people	186	197	201
Ratio of Women in Managerial Positions	%	8.0	7.9	7.7
Gender Pay Gap among Employees (All Employees)	%	64.3	63.4	65.5
Number of New Graduate Recruits	people	14	20	27
Retention Rate of New Graduates within 3 years	%	94.7	100.0	98.4
Ratio of Mid-career Recruits in Managerial Positions	%	20.0	17.8	18.3
Average Years of Work	years	16.6	16.5	16.4
Rate of Return from Childcare Leave	%	100.0	100.0	100.0
Number of Employees Using Childcare Leave	people	23	23	28
Childcare Leave Acquisition Rate for Male Employees	%	27.3	42.9	47.1
Paid Leave Acquisition Rate	%	67.9	73.6	71.3
Average Monthly Overtime Hours	hours/month	19.6	16.5	16.4
Rate of Undergoing Health Check-ups	%	98.4	99.3	98.7
Rate of Undergoing Stress Check-ups	%	96.7	97.1	99.2

Company Information/Stock Information (as of March 31, 2025)

Company Profile

Company name	MARUBUN CORPORATION
Address	8-1, Nihonbashi Odenmachi, Chuo-ku, Tokyo 103-8577 JAPAN
Founded	1844
Established	July 1947
Representative	President and Representative Director, CEO, and COO Hiroshi Horikoshi (Appointed April 1, 2025)
Capital	6,214,500,000 yen
Number of shares outstanding	28,051,200
Stock listing	Tokyo Stock Exchange Prime Market (Code: 7537)
Fiscal year	April-March
Business	An electronics trading company selling cutting-edge semiconductors, electronic components, and electronic equipment
Number of employees	1,179 (consolidated) 633 (non-consolidated)

Affiliates

Japan

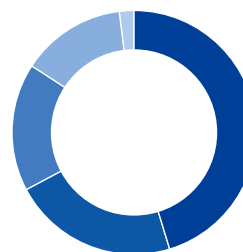
• MARUBUN TSUSYO CO., LTD. • MARUBUN WEST CORPORATION • FORESIGHT TECHNO CO., LTD.

International

- Marubun Taiwan, Inc.
- Marubun/Arrow Asia, Ltd.
- Marubun/Arrow (S) Pte Ltd.
- Marubun Arrow (Thailand) Co., Ltd.
- Marubun Arrow (M) SDN BHD.
- Marubun/Arrow Electronics (Shenzhen) Company Limited
- PT. Marubun Arrow Indonesia
- Marubun-Arrow Mexico, S. de R.L. de C.V.
- Marubun USA Corporation
- Marubun/Arrow USA, LLC.
- Marubun/Arrow (HK) Ltd.
- Marubun/Arrow (Phils) Inc.

Shareholder Composition

► Shareholding ratio by owner



■ Individuals and others*	45.37%
■ Business and other corporations	22.04%
■ Financial institutions	16.85%
■ Foreign corporations	14.03%
■ Financial products dealers	1.71%

* "Individuals and others" includes 1,882,000 shares of treasury stock.

► Major shareholders

Shareholder	Shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	2,507	8.94
Arrow Electronics, Inc.	2,350	8.38
Marubun Research Promotion Foundation	2,304	8.21
MARUBUN CORPORATION (treasury stock)	1,882	6.71
K.K. Chiba Public Golf Course	1,399	4.99
HORIKOSHI LLC.	1,200	4.28
Kiichi Horikoshi	1,070	3.82
Momoko Horikoshi	602	2.15
Custody Bank of Japan, Ltd.	538	1.92
Mitsubishi UFJ Bank, Ltd.	479	1.71

Note 1: Number of shares held is rounded down to the nearest thousand.

Note 2: Shareholding ratio is rounded down to two decimal places.



MARUBUN CORPORATION

8-1, Nihonbashi Odenmacho, Chuo-ku, Tokyo 103-8577 JAPAN
www.marubun.co.jp/en/